



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

US
13172
60



172.60

**Harvard College
Library**



Gratis

72/22 45 12174.6

THE BOSTON SOCIAL SURVEY

AN ENQUIRY INTO THE RELATION
BETWEEN FINANCIAL AND
POLITICAL AFFAIRS
IN BOSTON

■
By GROVER J. SHOHOLM



MS 13172

THE BOSTON SOCIAL SURVEY

AN ENQUIRY INTO THE RELATION
BETWEEN FINANCIAL AND
POLITICAL AFFAIRS
IN BOSTON

By GROVER J. SHOHOLM



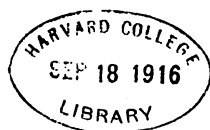
ms
65 13172

THE BOSTON SOCIAL SURVEY

AN ENQUIRY INTO THE RELATION
BETWEEN FINANCIAL AND
POLITICAL AFFAIRS
IN BOSTON

By GROVER J. SHOHOLM

MS 13172.60



Gratis

COPYRIGHT 1916

By

GROVER J. SHOHOLM

Grover J. Shoholm
19 Woodrow Ave. Boston

CONTENTS

SECTION I

Preface	5
Financial Control	7
Investment	9
Politics	12
Press	14
Law	19
Corruption	26

SECTION II

The Boston Elevated	33
Eugene N. Foss	36
The Progressive Party	38
The Rift in the Boston Democracy	40
Surrounded	43
Extrication	45
Gas	48
Real Estate	52
The Blue-Bloods	59

SECTION III

The Railroad Situation	65
B. & M.	67
New Haven	71
Responsibility	73
Moulding Public Opinion	76
A Powerful, Rapacious Gentility	81

P R E F A C E

"Of course!" snorted a certain pompous old gentleman upon my venturing to touch on the influence of wealth in public life. "Looka that!" and he sought out a list of Boston's largest taxpayers.

"When interests as important as those are subject to every flurry of politics, must we not look after our investments?"

"And"—I suggested—"the best method of defense is an aggressive offensive?"

"Exactly!"

"But isn't it rather—(I knew the old gentleman)—rather, well—disagreeable?"

"Lemme tell you, young man, there are, in certain offices down there, **wolves** who would, if they could, destroy every cent of values in every one of my enterprises!"

"And," he added cuttingly, "they would be no more regardful of the means they employed than ——"

"Than your group?"

"Than the Devil!" he exploded.

The social control exercised by property in Boston and New England has as many filaments as a cancer.

To trace it out in all its elaborate intricacies would seem like presenting a complex problem in geometry.

"True, perhaps," would remark the reader, "but too deep—too abstruse—too complicated!"

Besides, in daily affairs the power does not show itself as a whole. But now and then we can see one or two sinuous tentacles reaching out—sucking in gold! And reaching into what have been considered the most sacred places of Democracy.

Part by part then it is possible to trace the operations of secret financial diplomacy—so silent in its important workings, and often unnoticed under the very eyes of those who are taking part.

More opportunities have been afforded the writer than ordinarily fall to the lot of the enquirer in these fields.

The cause of social change has seemed of more importance than any personal considerations; this is all there is to say to persons who may feel an indignation at the open manner in which I have treated certain matters that were discussed in confidence.

The elementary nature of some chapters is to be accounted for by the purpose of the work,—to make clear what are the real social forces to those who now enjoy the stimulating, vibrant thrill of ideals and illusions.

FINANCIAL CONTROL.

The elements that enter into the formation of Boston's social order are not a few. Industrial control, political control, educational control,—all contribute their parts. Then, too, the forces of necessity and of idealism intermingle gradually into a fabric of most complex design.

But of design, nevertheless. Not chance has arranged the structure which many surmise, but which is here to be considered somewhat in detail.

A list of directors to most persons is merely a list of names, and nothing more. As a matter of fact, each name is a centre of power,—not solely financial but political and social as well.

In determining the control of a banking house not every name is of equal weight. The fact usually transpires that factions are contending for strategic positions with all the intensity of professional chess players.

The intricacy of interlocking directorates makes the situation puzzling at first, but by eliminating the "nobodies" the complication of affairs becomes a little clearer. Often an examination of the executive committee gives the key to the situation.

"Nobodies" are of several varieties. There is the type of director who accepts a position at the request of some personal friend, indifferent as to issues involved, voting as that friend may request, and glad to strengthen his social and business standing by associating with a "good crowd."

Then there is another type aptly described by Mr. W. F. Fitzgerald, of the banking house of Fitzgerald, Hubbard & Company.

"The financial world possesses a large number of men of big means who are willing to loan the use of their names for \$10 or \$12 a month, and whose only interest in the corporation is the gasoline money which they collect."

A common species of director is the active business man whose presence on the board attracts to the bank deposits and other business from the trade group of which he is a leading member. Thus, advertisements often appear like the following:

"The shoe and leather trade is ably represented in the directorate of the Boylston National Bank."

Such men are rarely active in the control politics of the bank, being too occupied with pressing problems in their own special business.

Young scions of wealth sometimes deign to divert a little of their attention from golf and tennis to business. As a rule they do not; but there are a few of these "nobodies" in the bank directorates. They may be safely depended upon to follow the leadership of their family banker. And, also, the force of tradition keeps them in a predetermined course.

We may also eliminate in considering the larger financial strategy men who are intimately connected with the actual management of an industry—operating men. At times, it is true, an operating man speaks the decisive word in regard to a policy; but after all he is a mere salaried official, and is on a directorate, *ex officio*, to aid in whatever way he can the controlling majority.

The position of the operating man is similar to that of the general counsel, to suggest and serve,—not to direct, except in so far as special authority may be delegated to him.

Such a man is Mr. P. F. Sullivan of the Bay State Street Railway Co. He has acquired a reputation as a railway operator. And yet, if it serves the purposes of the group who control this road to enter into a scheme detrimental to the road's best interests, but profitable in other directions, the operating man would have no voice in such a matter.

Similarly, the President of a bank may be not at all the controlling spirit, but be concerned chiefly with the bank's mechanism and its daily routine of business.

Some banks are subordinate to others, although the exact knowledge of this relationship is confined to a very small group. To inquire about this matter would be considered a gross breach of propriety—an impertinent prying into private affairs.

However, tracing out the larger financial strategy of Boston, two main groups are disclosed in a contention of the most bitter and uncompromising character.

That political events are a reflex of issues that arise in the course of their struggles is a theory which is more than suggested by some of the tendencies of Boston and Massachusetts politics.

An understanding of this one fact furnishes the key to the politics of the city and the State, and robs the secret councils of the two parties of much mystery.

The two groups centre—one at the Kidder-Peabody banking house, the other at the banking house of Lee, Higginson & Company.

That political control gives opportunities for strengthening and extending the power of the dominant financial group is apparent after only a slight knowledge of inside political activities.

INVESTMENT.

For illustrating the way in which financial control, rather than ownership through investment, places in the hands of a few persons greater and still greater powers, it will be clearer to examine only a small part of a much larger project.

By agreement with Attorney-General McReynolds, the New York, New Haven & Hartford Railroad was to divest itself of all its interests in the subsidiary transportation companies of which the following is a summary:

	As Carried on the Books of the New Haven Co.		N. E. Navigation Co.	
Boston Railroad Holding Co...	\$29,371,165	97		
Boston & Maine subsidiary lines	1,417,216	95		
The Connecticut Co.	2,125,000	00	\$40,000,000	00
The Rhode Island Co.	27,852,336	41	1,266,379	37
Berkshire Street Railway Co. .	9,809,395	58		
The Vermont Co.	1,477,164	31		
Eastern Steamship Co.			4,200,000	00
New York & Stamford Railway	1,395,523	40		
The Westchester St. Railroad.	1,152,150	84		
Shore Line Electric Railroad..			117,000	00
New England Investment & Security Co.			13,631,750	00
	<hr/>		<hr/>	
	\$74,599,953	46	\$59,215,129	37

Suppose we take the last, somewhat obscurely named, corporation on this list and see of what it consists.

The New England Investment and Security Company was one link in the transportation monopoly which the New Haven financiers have all but established. It was a paper corporation through which the New Haven directorate held control of electric railways around Worcester and Springfield—420 miles, in the western part of Massachusetts.

There were two voluntary associations and seven corporations concerned in the electric railway situation around Springfield and Worcester, welded together into an elaborate financial structure that gave control to the owners of a very small share of the total investment.

The Worcester Railways and Investment Co. controlled the Worcester Consolidated Street Railway, which, in turn, leased the Worcester and Webster Street Railway and the Webster and Dudley Street Railway. The New England In-

vestment and Security Co. controlled the Worcester Railways and Investment Co. and also directly controlled the Springfield Street Railway, the Milford, Attleboro and Woonsocket Street Railway, the Interstate Consolidated Street Railway, and the Attleboro Branch Railway. The Springfield Street Railway was a consolidation of the Western Massachusetts Street Railway and the Springfield and Western Street Railways.

Reduced to a tabular form it becomes somewhat clearer. The New England Investment and Security Company controlled the following properties:

The Worcester Railways and Investment Co., which controlled:
 The Worcester Consolidated Street Railway Co., which leased:
 The Worcester and Webster Street Railway—
 The Webster and Dudley Street Railway.
 The Springfield Street Railway, a consolidation of:
 The Western Massachusetts Street Railway—
 The Springfield and Western Street Railway.
 The Milford, Attleboro and Woonsocket Street Railway.
 The Interstate Consolidated Street Railway.
 The Attleboro Branch Railroad.

The whole outstanding common stock represented a par value of \$100,000. The preferred stock, largely held by investors in Springfield, Worcester and Boston,—“the public,”—and of a par value of \$4,000,000, was legally in the position of a minority.

The owners of the 1,000 common shares selected four of the seven trustees, and the owners of the 40,000 preferred shares selected but three.

It was possible thus for the owners of a majority of the \$100,000 common stock to dictate the policies of this group of railways that comprised a capital of over \$4,000,000.

Moreover, the New England Investment and Security Co. claimed assets, when the Interstate Commerce Commission investigated the affairs of the New Haven, of over thirteen and a half millions.

The New England Investment, Etc., Company was, in turn, carried on the books of another more complex arrangement, The New England Navigation Company.

The Interstate Commerce Commission reported that in its judgment the New England Investment and Security Company was a device conceived to carry out the policy of the New Haven to acquire the electric railways of Massachusetts, and that it operated in violation of the Massachusetts laws and in flagrant violation of an injunction issued by the highest court of the State.

But aside from its alleged illegality, such is the method—securing a strategic position from which a commanding power is given over masses of capital, often through the investment of an amount that is, comparatively, slight.

Those who come to hold such power thereupon acquire more. Reorganizations and involved transactions yield golden benefits to insiders. These pickings are not the important thing, however; the situation, as a whole—in the case of the New Haven, monopoly—can be brought about only by granting such concessions to parties able to hinder the progress of affairs.

POLITICS.

A troop of schoolboys may be seen almost any day marching through the State House, accompanied by their teacher. They pass through the marble corridors, awed by civic idealism, looking for a moment at the House in session from the visitors' gallery, shaking hands, perhaps, with a benign, distinguished Senator; and if His Excellency is not too occupied with the burdens of State,—oh! the thrill of intimacy with Power, if he grants a few kindly words.

This schoolboy attitude, however, one need hardly say, is not shared by the very noble Senators and politicians.

"You and I are practical men," expresses pretty accurately the mental attitude of one statesman to another. He does not say it. He does not need to. It is understood.

Would it be too much to say that the average citizen knows as little about the real affairs of his government as these schoolboys?

Not one voter out of ten could explain the real powers of the Legislative Committee, say, on Ways and Means. Not one in a hundred could name three or four members of the Supreme Judicial Court of Massachusetts.

Abstract political issues have a certain influence—with the unsophisticated.

"I have been a Republican all my life," once explained a certain Dr. H. Cotee to the writer. "I always helped the ward organization—Mr. Charles Innes or Mr. Cox, or whoever was at the head of the organization. And what did I get?

"Here I'd been paying taxes on this row of houses for a dozen years, but nothing in the way of public improvements ever came along our way.

"Last year I called at the office of Mr. Cox. I told him he'd have to get Warren Avenue repaved. It was a disgrace to the city.

"Well, he said he'd see what he could do. Next time I saw him he told me he had been to City Hall, but that the Mayor was out.

"I kept after him several times but he always had some excuse. Then a friend poked a little common sense into my noodle! He said: 'What pull do you think Cox has at City Hall? Take your troubles yourself to the Mayor?' The Mayor said: 'Sure, we'll look out for you.' He paved Warren Avenue with wood blocks from one end to the other. You see, this is a two to one Republican ward.

"And now!" exclaimed the good doctor, profanely, "I'm a Democrat!"

The Mr. Innes referred to is the Innes whose law firm was shown to have received sums of money from the New Haven Railroad—under the famous "other expenses" account—for services which he could not, or would not, explain. The organization referred to is a political club of which Mr. Innes has been for years a leading spirit—The Ward 10 Republican Club—dictating Republican nominations from that ward. Under the culture of Mr. Innes has sprouted a promising young Republican politician, Channing H. Cox, Speaker of the House of Representatives.

Now, it is the function of the Speaker of the House to appoint safe men to important committees. The Speakership is a potent means of gaining power over lesser politicians through the distribution of places on these influential committees, and has always been regarded by Republicans as a training for the position of Governor.

Returning to the matter of the street improvement granted by a Democratic city administration in order to weaken the Republican machine, it is upon a framework of just such material interests that political parties build themselves. Interests small and great ally themselves in groups and constitute the dependable voting power of the machines. Groups and interests are recognized in accordance with their power; and render services for the benefits received.

Nor are these men of the political underworld. They are, for the most part, ordinary citizens with interests at stake which may be affected adversely or favorably by governmental acts.

"Politics" has been well defined as the art of bringing pressure to bear upon the government.

Abstract rightness and glowing eloquence do have a certain utility for campaign purposes, like torches and red fire. But there is a solid basis more substantial.

It is these essential forces which are especially worth examination.

PRESS.

The Boston Journal on April 21, 1915, appeared with its Jordan-Marsh advertising space empty—a half page.

The Journal was printing a story of the hardships and temptations that beset girls working in department stores. Jordan-Marsh was not specifically mentioned. But department stores are much the same, and an attack upon one is resented by them all.

There was a “friendly settlement” of this controversy when the possibility of a public boycott of the Jordan-Marsh Company became alarming.

It is not often that newspaper control discloses itself so openly. The disciplining of a paper is generally potential rather than actual, a possibility—regarded by most editors as one of the conditions of existence.

Mr. A. J. Philpott of the Boston Globe once endeavored to justify the protection which newspapers grant to their friends (not to say masters) by pointing out the fact that a great metropolitan newspaper represents an investment of several millions of dollars. To trifle in a rash manner with a newspaper's policy, he explained, would soon wipe out its value as an investment.

The good that can be done, was his argument, by compromising somewhat with the Devil, justifies a course of expediency.

After all, it would seem, an editor's personal views have little to do with the matter. He finds himself in the grip of circumstances.

Mr. Eben D. Jordan is listed in the Globe's annual statement as one of the owners of this paper; and also, of more importance in regard to control, Mr. R. M. Saltonstall.

The alliance of the Saltonstalls, especially through the law firm of Gaston, Snow & Saltonstall, with the Elevated—Kidder-Peabody—Democratic group is a matter that is well known.

The Herald is, or was,—reorganization having taken place in a dizzy fashion,—a close corporation of which the following are (or were) stockholders:

HENRY L. HIGGINSON,
HENRY S. HOWE,
JOHN L. HALL,
THOMAS W. STREETER,
C. A. HIGHT.

This is not a mere list of names. It is an array of social power. The Herald speaks for the interests these men represent.

Mr. Hight is in the law firm of Coolidge and Hight, 50 Congress Street. Mr. Coolidge, of this firm, was general counsel for the Boston & Maine Railroad for many years. His services are also at the disposal of the United Shoe Machinery Co.

Note the good conservative connections of this group: Mr. Coolidge's brother, Louis Arthur Coolidge, was for three years private secretary to Senator Henry Cabot Lodge, and in 1904 was director of the literary bureau of the Republican National Committee.

Mr. John L. Hall: It was on the tenth floor of 60 State Street, in the thickly-carpeted, luxurious offices of Choate, Hall & Stewart that much of the criminal financing of the New York, New Haven & Hartford was planned.

Lee, Higginson & Co. are in the syndicate that loaned the New Haven 60 million dollars not long ago.

Mr. Higginson and Mr. Howe are both directors of American Telephone and Telegraph. The directorates of the New Haven and Telephone and Telegraph are very closely interlocked.

Mr. Higginson, then, has a large financial interest in the New Haven. Mr. John L. Hall and Mr. C. A. Hight are or have been in the employ of the railroads as lawyers.

The Boston Herald bonds amounting to \$400,000, which excited the curiosity of the Interstate Commerce Commission during the investigation of the New Haven transactions, are of interest in this connection. Their ownership is not definitely fixed, being coupon bonds. They are said to be held by Mr. Sidney W. Winslow, President of the United Shoe Machinery Company.

Mr. Winslow is not a figure of enough importance to be personally interested in controlling this paper, though the interests of his company are large. He is acting in behalf of his business associates—his "crowd."

A peep into the finances of the Herald shows the large expenditures made by the backers of this ultra respectable daily. The statements given are the balance sheets for 1911 and 1912. It is worth noting that a veritable golden flood was poured into the paper at this time,—the critical period for the consummation of the New Haven transactions.

The Boston Herald, Inc.

Comparative General Balance Sheet, December 31, 1912.

Assets	1911	1912
Patent rights, good-will, etc.....	\$1,626,889	\$2,619,734
Machinery	180,000	180,000
Inventories	13,000	8,465
Cash and debts receivable	108,573	276,629
Deficit	146,916	266,569
	<hr/>	<hr/>
	\$2,076,352	\$3,351,397
 Liabilities	 1911	 1912
Capital stock	\$1,323,000	\$1,764,000
Funded debt	558,500	1,376,500
Accounts payable	187,289	202,960
Accrued accounts	3,963	6,880
Reserve	3,600	1,057
	<hr/>	<hr/>
	\$2,076,352	\$3,351,397

It will be seen that the deficits account for but a small portion of the demands which this enterprise made on the purses of its patrons. The capital stock was increased by over \$400,000 in the year 1912. The funded debt about \$800,000. And the estimate on intangible assets, "good-will, etc.," was increased by about one million dollars.

Disreputable enterprises usually shield themselves behind a covering of eminent respectability. The centre of the breweries combine which controls most of Boston's saloons,—through mortgages, largely,—is the prosperous United States Trust Company, of which the President is Mr. A. C. Ratchesky.

On the board of directors of this concern, partaking of its regular 12 1-2 per cent. semi-annual dividends, that are in part the profits of a trade that is unnamable, we find none other than the Hon. Albert E. Pillsbury, one of Boston's most highly esteemed citizens. A distinguished constitutional lawyer, and an effective writer on questions of public import, he frequently occupies a place on the editorial page of the Herald as a special contributor.

It is fairly obvious that the Herald, and the other papers, benefiting by advertising expenditures that amount to hundreds of thousands annually, would have an instinctive feeling of opposition to a movement that seeks to remedy one of the festering ulcers of society.

To say this is not to endorse the prohibition movement; it is simply to point out an objective fact.

The prohibitionists, while taking a step away from the old theological notion that the individual's "sin" is to blame for evils, and while trying sincerely to reach a cause further back, fail to recognize—or deem it inexpedient for the success of their organized movement—that they are dealing with an economic problem that can be solved only by removing the strain and pressure under which the work of industry is being done, and by improving the economic condition of the masses of the people.

It is obvious, too, that the heavy advertisers, such as department stores, will not have publicity thrown upon the unfavorable aspects of their business.

But the real control of the press is more subtle. Further back, behind the large advertisers, are the men who control credit.

The power of withholding a loan at a crucial time, such as comes to every business concern, would mean the loss of an entire undertaking, to say nothing of the resulting loss of prestige.

Behind the advertisers are men to whom public opinion is a vital factor in their larger commercial projects. They are able to wield over any troublesome newspaper a bludgeon that no managing editor dares face.

For example, the Houghton-Dutton Company, as a department store, would hardly be thought to interfere with editorial opinions or news, except in such matters as concerned it directly—accidents in the store, a minimum wage law, or in the case of a strike. But the man at the head of this concern for many years, Alexander McGregor, as an active Republican, an organization worker, assuredly must take an interest in the views of any source of public opinion.

Such a force is not often used. But the consciousness of it is not without effect in the shaping of editorial opinions and news policy.

The advertising power of Filene's, a company controlling two other large establishments that formerly were rivals of the present dominant concern, is certainly not an unknown factor to those who are interested in such matters.

The mammoth eight story building at the corner of Washington and Summer Streets is not the property of Wm. Filene's Sons Co. It is a monument to the possibilities of modern credit. It is owned by a real estate trust of three and

a quarter millions capital, the trustees being Messrs. Samuel Carr, Amory Eliot, and Charles F. Ayer; there are further obligations outstanding in the form of \$4,200,000 1st mortgage 10-year gold 4 per cent. bonds, a first lien on the real estate and buildings, of which the trustee is the Old Colony Trust Co.

This great department store, then, considered as an element in the moulding of public opinion, through its credit connections, stands in a position that obliges it to render whatever service may be required. Should the necessity arise, Messrs. A. L. and E. A. Filene, however liberal in their personal views, could be required to subordinate their own convictions to the necessities of business at the request of those above who guard the interests of New England's aristocracy.

Mr. Grafton D. Cushing, in the primary fight of 1915, explained at length how the Republican party organization machinery had been controlled by a few men who held the State Committee under their obligation through some old notes. He further explained how a chain of New England papers were dependents of Mr. Sidney W. Winslow. And after declaring that: "Mr. Winslow maintains a costly publicity bureau, and I am convinced that he and his concern are meddling in all kinds of politics, from the membership of the Board of Aldermen in Beverly upward," he piously expressed the desire that such activity be stopped.

But in attacking Mr. Winslow he struck at only one of the minor corruptionists of public life. The attack should have gone "higher up." Mr. Winslow is to the men above him what Mr. Mellen was to his superiors.

The Boston American is a paper that bargains with both sides respecting its editorial opinions. Hence the rage against Hearst's "demagogism" on the part of everyone at all socially powerful. There is a peculiar bitterness against the American, for the other papers are more or less wedded to certain interests. In case of a doubtful conflict they are at least neutral. But the American finds a profitable policy in assailing the pet scheme now of one group and now of the other. Yet, when a settlement of contending interests is effected and an accounting is due "the people" in whose behalf, of course, a battle has been nobly waged, the American may be depended upon to dress up editorially as a public spirited achievement even so gross a fraud as the Boston Consolidated Gas Company's "sliding scale," mentioned hereafter.

LAW.

It is a cold, uncolored statement of fact that those who do not acquiesce in Things As They Are seem likely to find their usefulness limited in the activities that have been providing them with an income.

The larger proportion of legal work concerns itself with questions relating to business affairs and, in general, property relations. It is therefore to the propertied class that lawyers must look for approval.

Law largely dependent upon business—and behind business, credit; and in control of credit the gentlemen who sit upon important bank directorates: this clear concept focuses attention upon the financial control of certain banking institutions as the real nerve-centres of social forces and political life.

Just as in the case of advertising and the press, so, in a more powerful way, restraint is placed upon freedom of speech and freedom of action in the case of those nearest the centre of public affairs.

The genial treasurer of John P. Squire & Company says, when the matter of some legal work comes up:

"Give it to So-and-So. He's a bright young fellow."

Suppose now, So-and-So had interested himself actively in bringing to public attention some of the unsavory housing conditions of Packingtown, in East Cambridge. Would he be favored in the apportioning of legal work? Suppose he had done something more than talk. Would he be even considered?

It may be that there is nothing conscious about this process of elimination. It might take place quite naturally. Suppose the reader, or anyone else, were in the place of an official of this corporation. Suppose the bright young Mr. So-and-So had written a book, or a college thesis, on "The Packing Industry As It Is," and the book contained facts of an unpleasant nature:

"Department transfers: To sausage department, 400 lbs. waste guts."

Would you, reader, be inclined to show him favors?

Or, suppose he had been politically obnoxious to the financial group which extended to your company credit accommodations.

"Love your enemies" is not a business precept.

The extent to which business depends upon credit may be seen in the public statements made from time to time by

banks and trust companies, and in public records of various kinds.

In the report of the condition of banks and trust companies as rendered to the Bank Commissioner of Massachusetts, it will be noted, for example, that the National Shawmut Bank, a stronghold of the Kidder-Peabody—Boston Elevated—Boston Consolidated Gas—Democratic, etc., coterie, has about half of its resources invested in notes and discounts.

A view of the statement of another bank, on the opposing side, The American Trust Company, discloses the fact that a capital of one million controls resources of twenty-two millions; and of this twenty-two millions ten millions have been invested in loans not secured by collateral.

Statements issued by the Boston Clearing House Association show that banking institutions of Boston with a combined capital of about \$30,000,000 have extended credit of one kind or another to the extent of approximately \$350,000,000.

The power that control of credit is able to confer extends in a dozen different directions.

The purchasing power of entire groups of industries can be made to serve in time of need as a threat against individuals of too pronounced views who happen to be engaged in a vulnerable line of business.

The investment power of large insurance companies is another potent means, as important as in the case of banks, of conferring, or withholding, business opportunities. One company, The John Hancock Mutual Life Insurance Company, of Boston, has over one hundred million dollars invested in bonds and mortgages on real estate.

Boston is the centre for many hundred-million-dollar enterprises: besides banks,—mining, railroads, telephone, water power, and textiles. And around each of these cluster scores of related lines of business.

In mediaeval times the prevailing social order was explained as existing by divine ordinance. It is a question whether the modern notion about the "will of the people" is not as uncertain a theory as the one it supplanted.

Back out of sight, out of the public's immediate gaze, though by no means secret, are committees and arrangements of many sorts, important social forces, without the least responsibility to "the public."

Going to the very centre of financial affairs, New York, it will perhaps suffice to give a single instance of the sort of authority which men of business recognize as of greater importance than political power.

Consider the arbitrary power over the finances of the country possessed by the Clearing House Committee of New York, around which gravitates the entire financial system of the country:

The men who compose this committee are dominated by a few bankers, who are not members of the Clearing House and not officially connected with its members.

The committee reserves the power to prevent the forming of new banks and trust companies and to prevent competition, by refusing its privileges of membership,—without which business cannot be done.

Under its self-constituted regulations it can ruin any solvent banking institution by withdrawing clearance privileges without notice, reasons, or redress. In a panic it actually did destroy a number of solvent banks. These banks, after being put out of business by the action of the Clearing House Committee, paid their depositors in full, even in liquidation, and had a surplus of from \$50 to \$150 per share for the stockholders.

The association maintains a bureau of staff accountants who, acting under the direction of the committee, have the right to examine into the accounts and affairs of all the members. The committee can thus at all times inform itself of all loans and collaterals.

Legal preferment is to corporations—public service and otherwise—and to the persons behind them, what patronage is to politicians. It is one form, an important form of social control, and the more insidious when entirely legitimate.

There is necessary legal work to be done, and someone must do it. It would be crude and insulting to stipulate to firms of high standing that anything improper is expected. But around our material interests a sustaining morality builds itself; and loyalty to one's employers is a point of business honor.

Just as at election time all the brothers and uncles and friends of a Lomasney office-holder work for the continued power of the Chief, so, in a way that is more refined, subtle influences of self interest radiate from attorneys' offices to strengthen the apparent respectability of the most condemnable robber barons of finance, and the most ruthless exploiters of human life in factories and mills and mines.

Strong in their fidelity to the group to which they belong, whether or not a halo of idealism lends its sanction to their adherence, "opportunity," "success," to the men of law means the power to enlarge the sphere of their usefulness.

That there are lawyers and judges of such training that they consider property rights, and not human rights, the foun-

dation upon which all civilization rests, and regard the common law as the ultimate expression of human wisdom,—that such men may be of unquestioned integrity and devoted to their principles, is undoubtedly true.

But these men are pawns.

It is easy in being unwilling to do injustice to grant too freely the good faith, the sincerity of men's convictions.

There are keen, cool minds at work in places of power.

They are not unsophisticated. They are without conscience.

To go back a few years, did not Mr. Richard Olney, now one of Boston's most illustrious figures, when Attorney General under the administration of Cleveland, have a clear consciousness of the powers he served? As an instance, did he not know that when he and the President designated Edwin Walker as special counsel for the government in the great railroad strike of 1894, that this "impartial" investigator was already the regular counsel of the Chicago, Milwaukee & St. Paul Railway? Did not Mr. Olney deliberately do the bidding of all the railroad corporations, acting as one through the General Managers' Association? And this Edwin Walker, the attorney of the railroads, who was placed in supreme command of the powers of the government,—was his purpose the enforcement of law and the preservation of order; or was it the breaking up of the strike in the interests of the railroad corporations?

Most men are too occupied with their daily affairs to give much thought to the social effect of their labors. Their work is a means of livelihood, considered a sufficient end in itself. A day's work well done, whatever it may be, gives a sense of worth, of self-respect, that wards off any possible suggestion that perhaps, after all, the activity is viciously anti-social.

And modern division of labor, each performing only a little part, reduces social responsibility to the vanishing point.

If, perchance, a conscience is troubled, of what use is revolt? There are others with minds more pliable waiting, indeed striving, for an opportunity to serve.

Few, however, live by complex ethical theories. A subconscious idealism forms itself—devotion to family, or to personal friendship, or to country, or what-not.

As a certain Mr. Henry B. Sawyer upon one occasion said: "I'm looking out for Mrs. Sawyer and the little ones! Not for the whole human race!"

Mr. Sawyer is a rising young business man, of the blue-stocking group. He is a Unitarian, but with a singularly limited conception of the "Brotherhood of Man."

An aristocratic class,—a caste, almost,—fortified in their position by the most expert apologists that can be developed in controlled educational institutions, hold a position that is high invulnerable.

An erudite professor can explain, as not long ago at Harvard one really did, that $1 + 1$ does not, always, equal 2.

"Numbers," philosophized this learned man, "have no significance apart from the objects they designate. It is true that 1 pebble plus 1 pebble equal 2 pebbles. But 1 drop of water plus 1 drop of water equals—perhaps, 1 larger drop."

Specific, practical application?

The definition of a single word may mean—and the time is not far off when it actually will mean—the retention or the loss by tremendous propertied interests of millions of dollars.

In railroad rate cases the word "reasonable" and "fair" often recur in long discussions and arguments. What is a "reasonable" rate? The standard generally given recognition by public service commissions holds that rates must be sufficiently high to afford an operating income that will: (1) cover operating expenses; (2) allow a liberal contribution for assuring the continuance of service, and (3) pay a fair return on the reasonable value of the property.

When brought down to actual details, each of these three elements offers wide latitude for judicial niceties of definition.

The third item is the most evidently debatable topic. It would be of vital importance in the case of a city taking over its utilities for public ownership. What constitutes the reasonable value of a street railway, or an electric lighting plant? How are intangible assets to be reckoned with? Are franchise expenses (a euphemism) and promoters' profits (water) elements of a reasonable value? How may franchises be capitalized—if at all? How may the value of a patent be determined? Should land be capitalized at its present value or at its original cost?

Scores of questions similar to these in nature must come up for settlement before the highest courts within a few years, when "regulation" has run its course; as soon as the fact becomes recognized that instead of the government regulating business the real situation is quite the reverse.

The Courts have the final say. Throughout the country precedents are being established on the question of rate making and valuation. In one case (*Milwaukee Electric Railway and Light Company vs. City of Milwaukee*, 87 Fed. 577) forty per cent. of the reproduction value is included as representing the cost of a plant which had been superseded.

In the appraisal of the Chicago Consolidated Traction Company, in 1910, several million dollars were allowed for

the franchise value of an old cable road which was in disuse and which was immediately thrown away.

Here in the single matter of rate making and valuation is now being built up a grave series of precedents that will require for their reversal, when the question comes to a crisis, action little short of revolutionary.

In Massachusetts, Judges are appointed by the Governor, for a life tenure.

The effects of adverse governmental policies, such as the breaking up of interlocking directorates, or proceedings under the Sherman anti-trust law, are more apparent than real. The ease with which court decrees are complied with, yet leaving the essential situation untouched, might lead one to the belief that the placating of public opinion is the most important effect these "trust-busting" exhibitions are intended to produce.

The substitution of less visible forms of control,—an increase of dummy directors, private agreements, and skillfully arranged contracts, are the net result.

A case in point is furnished by the Delaware, Lackawanna and Western Coal Company, which the United States Court a few years ago ordered separated from the Delaware, Lackawanna and Western Railway.

Arrangements were made to procure separate office accommodations without delay.

It will no longer be possible to call the Lackawanna Railroad on the telephone and ask for connections with the coal company.

The stock of the coal company is held almost entirely by persons who are stockholders of the Lackawanna Railroad; but, legally, there is no stock control by the railroad.

The President of the coal company, Mr. E. E. Loomis, tendered to the board of directors his resignation to be accepted as soon as his successor can be selected. He is now President of only the railroad.

Asked about the probable effect of the court mandate on the earnings of the company, Mr. Loomis said that he could foresee no detrimental effect. "We are glad to have a fixed decision to go by."

The Delaware, Lackawanna & Western Coal Company has paid regular annual 10 per cent. dividends since its organization. It paid an extra 20 per cent. dividend in 1913, an extra 10 per cent. in 1914, and on July 1, 1915, an additional cash dividend of 50 per cent.

The attempts to dissolve the combination of railroads owning either directly or indirectly through subsidiary coal companies substantially the entire area of the anthracite coal

deposits of the United States are of some real service, for upon due consideration who can but say, finally: "Here endeth the first lesson"?

However, this is going rather far afield. Returning to Boston,—the elections of January, 1916, to the bank directorates of Boston were marked by the retirement of Major Higginson from positions which carried with them a good deal of responsibility, his place being taken by lawyers and business associates in whom he had confidence. That the New Haven trial—an attempt from an unfriendly source to hold directors personally accountable for their acts—influenced this action is not unlikely.

Not that it would be possible to "get anything on him"; even as an accessory before the fact,—or after.

Even though he were a proven criminal; points of law would be taken from court to court while lawyers disagree and judges reverse one another.

His attorneys, and his judges, would solemnly turn their pages of legal lore, huge dusty tomes of distinctions and qualifications and entangling mysteries.

And, as years lengthen, the culprit would pass beyond the reach of justice, and beyond the jurisdiction of courts. At one then with ten thousand outraged victims, the case would stand disposed of by the great Statute of Limitations.

CORRUPTION.

A corrupter does not approach the politician with a bag of gold in hand, saying "Do thus and so, and we will give you this." Far from it.

The consideration is conveyed in ways that are above reproach.

Whenever a unique service is rendered it is certain that a grateful oligarchy does not forget.

Even little services command their little rewards.

Within a period of four years the Bay State Street Railway has paid to a crowd of lawyers, lobbyists, and politicians almost \$300,000.

What for?

Fees for court trials of damage suits are not included in this \$300,000. The total amount of \$300,000 was pocketed by men who are well known corporation lawyers, legislative agents, and persons of "influence" on Beacon Hill and in the city governments through which the Bay State lines pass.

Four of these men were judges at the time they accepted these fees from the Bay State.

One was a register of probate.

Two others were city solicitors.

The recent wage arbitration board obtained this information from Treasurer Charles R. Rockwell. He gave the names of twenty-seven of these men, who, in four years, were paid from \$500 to \$111,000. There were others whose names Mr. Rockwell did not give.

Jake Wardwell is perhaps the worst known lobbyist on Beacon Hill. Wardwell's firm received \$44,000. For years his firm also received \$25,000 a year from the Boston Elevated. President Bancroft, asked to explain what Wardwell was paid for, replied: "For doing nothing." It is true that an influential lobbyist can make a railway no end of trouble; a large retainer to buy off opposition is often a good investment. This cryptic remark of President Bancroft, though, has a further significance. It is certain that at the time of the strike, when all the forces of the opposition ranged themselves against the Kidder-Peabody-Elevated-Gas-Fitzgerald-Foss group, Wardwell, with all his influence, "did nothing." His salary of twenty-five thousand dollars a year stopped; but a perusal of the statements required by law regarding fees paid to legislative counsel, filed with the Secretary of State, will show that Jake has more than made up this loss from other sources.

However, payments to men like Wardwell are not in the same category as those to judges and to other government officials.

Judge Samuel R. Cutler, of the firm of Cutler and James, has been for several years a justice of the Chelsea court. His firm received \$4,023 from the Bay State Street Railway Company.

Judge John J. Ryan was a Haverhill judge while his firm was receiving \$500 a year from the street railway.

Judge Lincoln S. Simonds has been associate justice in the Gloucester District Court for fifteen years. In 1914 he received \$1,351 from this street car line.

Mr. James, of Cutler & James, was city solicitor of Chelsea.

Ransom C. Pingree, the partner of Judge Ryan, was city solicitor of Haverhill from 1912 to 1914.

E. B. George, who in 1913 pocketed 10,000 of the Bay State's nickels, has been for many years clerk of court in Essex County.

"Dick" Nutter was President of the Brockton City Council in 1912. In that year the Bay State retained him for \$500. In other years his name does not appear on the list. His partner, Judge Charles Carrol King, has been associate justice in Brockton for years.

Arthur Bogue was register of probate in Essex County for a short term. In 1913 he received a \$500 retainer.

In two years James F. Jackson profited to the amount of \$27,000 by his connection with the Bay State road. From 1899 to 1907 he was Chairman of the Massachusetts Railroad Commission. Afterwards he practised law with former Attorney General Herbert Parker and former Lieut. Governor Louis A. Frothingham. Shortly after leaving the Commission he became the Bay State's general counsel.

Paul R. Blackmur was formerly city solicitor of Quincy. Sheffield and Harvey are influential Rhode Island attorneys.

Innes and Turtle both were formerly State Senators. They still retain strong connections and influence on Beacon Hill. Of the pair, the Bay State apparently valued Mr. Innes' services much the higher. They paid him alone \$2,000 in 1911. In 1912 and 1913 Innes and Turtle, together, got \$2,500.

The sum of \$82,000 was paid to the firm of Warren, Garfield, Whiteside and Lamson. It should be said that the reputation of this firm is of the highest, as reputations of corporation lawyers go.

The largest sum of all went to the firm of Currier, Rollins, Young and Pillsbury: \$111,000.

The Boston Herald, as one might expect, regarded this piece of news as a somewhat delicate matter; it suppressed the names of all the judges and other public officials who had accepted money from the Bay State; and then what remained found a place under the death notices.

Following is the list prepared by Mr. Rockwell:

1911

Zenas S. Arnold	\$500 00
Paul R. Blackmur	730 00
Burdett and Wardwell	3,909 40
Currier, Rollins, Young and Pillsbury	31,874 55
Cutler and James	500 00
Charles H. Innes	2,000 00
Ryan and Pingree	525 00
Warren, Garfield, Whiteside and Lamson	24,197 11
Fourteen others	1,335 14
	<hr/>
	\$65,571 20

1912

Burdett and Wardwell	\$18,063 64
Currier, Rollins, Young and Pillsbury	24,598 91
Cutler and James	1,205 00
Innes and Turtle	2,500 00
Nutter and King	500 00
Ryan and Pingree	500 00
Warren, Garfield, Whiteside and Lamson	46,994 78
Fourteen others	3,118 17
	<hr/>
	\$97,480 50

1913

Paul R. Blackmur	\$846 75
Arthur Bogue	500 00
Burdett and Wardwell	15,426 70
Currier, Rollins, Young and Pillsbury	33,941 12
Cutler and James	1,500 00
E. B. George	500 00
Innes and Turtle	2,500 00
James F. Jackson	10,250 83
Ryan and Pingree	525 00
Sheffield and Harvey	2,568 42
Warren, Garfield, Whiteside and Lamson	8,610 03
Twelve others	1,403 75
	<hr/>
	\$78,572 60

1914

Burdett, Wardwell and Co.	\$6,915 00
Currier, Young and Pillsbury	21,237 66
Cutler and James	818 00
F. S. Hall	838 70
James F. Jackson	17,339 85
Ryan and Pingree	500 00
Warren, Garfield, Whiteside and Lamson	2,255 63
L. S. Simonds	1,351 27
Nine others	1,233 30
	<hr/>
	\$52,489 41

Looking through a list of the important New England directorates, one cannot fail to note the recurrence of the "great" names of Boston. The aristocracy,—that is, not the plebeians who have thrust themselves into a position of local prominence and a certain degree of power by unscrupulous means. The conservative, "better" element, in politics always Republican, hold a position that is widespread and dominant in the larger projects of gold-getting.

In a campaign to oppose the extension of the Grand Trunk Railroad into New Hampshire, the Boston & Maine expended to influence legislation the sum of \$841,267.12.

The Public Service Commission of New Hampshire conducted an investigation, resulting in little, however, into these rather considerable expenditures for advertising, attorneys' retainers, and publicity work; from this investigation the given figures are cited.

David E. Brown, examiner for the Interstate Commerce Commission, presented at one of its hearings a copy of schedules which contained the names of more than 1,000 individuals to whom about \$500,000 had been paid by the New Haven during the years 1912 and 1913, for advertisements and publicity work.

Simply to consider these expenditures in relation to their immediate object would be a mistake of the most elementary kind. The activities, in addition to the foregoing, of the American Telephone and Telegraph Company,—an advertising campaign that is truly of tremendous proportions; the meddling in politics of the great United Shoe Machinery Company, and its control of a portion of the press, previously noted; the generosity of the American Woolen Company in bestowing advertising contracts quite outside the ordinary

needs of its business; and "retainers," and advancement in business, and socially; all these have, to be sure, a particular purpose. But in addition to the special advantage which is sought by each industrial enterprise for itself, there is the further and more important effect of strengthening the position of the men who control them all.

SECTION II.

THE BOSTON ELEVATED.

No more bitter enmity existed between the Blues and the Greens of the old Byzantine empire than the division between the Blues and the Greens of modern Boston.

Beneath political differences and religious differences, however intense at times these may be, lie differences of an economic nature between the leading men of the two groups.

Boston's hereditary aristocracy consider it an affront that the newcomers, not content with the lot in which Providence has placed them, claim a place in the greater councils of finance.

The Boston Elevated Ry. Co. is a Kidder-Peabody concern.

The President of the Elevated is General Bancroft, who is responsible for the detailed management of the road. His superior is Robert Winsor, of the above-mentioned banking firm. Mr. Winsor, however, usually does whatever "the General" recommends.

"The General" has, to assist him, a corps of vice-presidents, to each of whom is assigned responsibility for some activity. He usually assents to whatever is recommended by these vice-presidents. Each vice-president, in turn, has a group of assistants; and their recommendations are usually accepted by the vice-presidents, who submit them to "the General."

On June 30, 1915, the investment of the system operated by the Boston Elevated Railway Company was \$112,013,280. This is not all, however, direct investment. The City of Boston, for years under the control of the Democratic machine, builds subways and tunnels, and then turns them over to the company at a modest rental.

As the rentals are computed, a percentage of the cost of construction, no adequate payment is made for the almost priceless parcels of land—property of the City—which entered into the construction of the system.

Boston's most valuable land lies in the vicinity of Park and Tremont Streets. The prices of land along Tremont Street, from Park to Boylston, are almost fabulous.

A wide strip of the Boston Common, extending along Tremont Street, is given up to the Elevated Company for exits and entrances to and from its Boylston and Park Street stations, without in any way being included in the City's valuation of the subway it has built.

Similarly, a large slice of the Public Garden, where surface cars go down into the subway and come out. The cost of construction, no account being taken of the value of the land, is made the basis of the subway leases.

Thus, through the credit of the City of Boston, and through the fortunes of politics, a corporation that began with a capital of twenty-five millions, has come into control of property to the extent of, avowedly, one hundred and twelve millions; in reality, though, a much greater amount.

For the value of a business enterprise cannot be measured by its capitalization; its value, that is, to the controlling powers.

We read accounts telling, partly, how Mr. Winsor sold to the New Haven blocks of B. & M. stock at from 10 to 20 points above the market price, netting profits of over \$400,000.

Ordinary mortals look on agasp, and wonder why it was that Mr. Winsor should be let in on a deal of this sort. It was not out of friendship of a personal nature, nor political, nor financial.

Mr. Gaston, Mr. Winsor, et al., hold control of the Boston Elevated; and the Elevated holds a valuable franchise whereby entrance into Boston for an electric line between Boston and Providence could be provided.

That this Boston-Providence line idea was well advanced is a matter of record. Had it been constructed, the New Haven would have had a formidable rival.

A potential competitor had to be bought off.

We have here a very good illustration of the manner in which a property not over-prosperous by itself can be made to net golden returns for the controlling interest by reason of its strategic value.

The original concern consisted of a corporation which purchased a franchise from a group of men who obtained it from the Massachusetts Legislature,—a franchise to erect and operate the then new-fangled scheme of elevated rapid transit, through the city from Charlestown to Roxbury. The company then secured control of the existing surface lines, guaranteeing a dividend of, in some cases, 7 per cent., and in others, 8 per cent.

The quandary that faces the company today is, that with all its privileges it is not able to pay its usual dividends and at the same time meet the rapidly-increasing fixed charges—interest and rentals—that are piling up. As tunnels and subways are added, the situation grows steadily worse; and more and more subways are being demanded from the Legislature, and granted.

That the technical position of the company is precarious may be admitted. That it has been manœuvred into this position by its financial and political opponents is no less certain.

A hostile public service commission at the State House is one means whereby it is harassed and worried.

"They order us to issue the new stock at 105, and Elevated is selling on the Exchange at 76!" said Mr. H. B. Potter to the writer.

A network of local improvement associations is organized throughout the city—a glance at the leaders indicates by whom—composed for the most part of small business men of each locality; and through these arise constant, insistent, and pressing demands for better service and the further extension of rapid transportation facilities. Boston has now, thanks be to the public-spirited efforts of these associations, and other forces, a system of tunnels and elevated which would be excelled by no other city, if only the allotment of space per passenger were somewhat increased.

Further large projects are being constructed and planned. And a clamor goes forth for ever new extensions.

EUGENE N. FOSS.

They call him the "Old Boy," and worse.

The every-day conception of Mr. Eugene N. Foss is that of a manufacturer, who, in the early days of the Insurgent movement, broke away from the "stand pat, corrupt reactionaries" of the Republican party. Later he joined the Democratic party, and has been thrice elected Governor, changing over to a miscellaneous designation of Independent-Citizens'-Democratic—and what-not ticket. He has recently rejoined the ranks of the Republicans.

The notion that would occur to persons of simple minds, if the question were raised why this manufacturer sought political office, is that he probably wanted to become Governor for the high honor of the position. Such are the grammar school notions that do widely prevail concerning politics.

From the fact that Mr. Foss is constantly attacked bitterly by the Boston Herald we would come to suspect that he is one of the Kidder-Peabody group.

Then, the fact that he is a large stockholder in the Boston Elevated gives further strength to the opinion that he is with the Kidder-Peabody group.

Another consideration that helps us in placing this gentleman—(pardon, he is not a gentleman)—is that the Democratic gubernatorial nomination was won for him by the Kidder-Peabody political expert, John F. Fitzgerald, and his organization.

Most conclusively of all, since it is impossible for him to belong to one of the two contending groups, he necessarily belongs to the other. The aristocracy of Boston would never admit to their inmost circles a former factory clerk, a parvenu who acquired a fortune by marrying his employer's daughter.

When the political career of Mr. Foss was terminated by an extended strike at his factory in Hyde Park—for the Boston voters are continually appealed to in behalf of some "friend of labor"—the strike having destroyed the usefulness of Mr. Foss as a leader of "the people," forthwith he returned to the Republican party,—be it said, an unwelcome convert.

It may have been a coincidence that the strike at the Sturtevant Company should have occurred at the time Mr. Foss was Governor; but it looks less like a coincidence when

we stop to think that it was also during his governorship that there occurred the great strike on the Boston Elevated,—a strike fought with the most bitter intensity for months.

Briefly, the Boston Democracy, and the powers behind it, achieved a decided victory in winning the governorship. The counter move of the Lee-Higginson group was to politically kill Mr. Foss, besides inflicting considerable financial damage upon the Elevated.

Note, that continual appeals to Mr. Foss, as Governor of the State, to intervene in the strife that was tying up the entire city, fell upon deaf ears week after week while the railway officials worked with might and main to crush the union, believing that there was a chance. And they all but succeeded. Only when all the labor unions of the entire city were on the verge of a general strike, with the public, although tired of the long inconvenience, behind the men, that the street railway people, in face of a worse calamity, consented to arbitrate.

Then, who appears as the impartial third arbitrator, the man holding the balance of power,—but Mr. James Jackson Storrow! The award of course favored the union.

In this skirmish the victory of the Lee-Higginson group was complete.

But the other group came back.

THE PROGRESSIVE PARTY.

The Progressive party in Massachusetts was largely made up, in its positions of power, of renegades from the Republican party, men who for years had attempted to wrest control from the dominant leaders; not as politicians, especially, but manœuvring behind the political chess men.

This group was not very successful. The Old Guard effectively disposed of all opposition to its own desires.

But a minority has ever at heart the interests of "the people," whatever its real aims. Stirring exhortations; denunciations of boss rule; political freedom—real democracy; the people against the bosses; and other such cries resounded within the ranks of the Republicans.

The first issue was the tariff, always an available subject. It was made, of course, a moral issue—a battle of right against wrong; and as there were not a few whose economic interests would be benefited by a reduced tariff, especially in the case of raw materials, this campaign attracted a large following.

When the tariff was revised—upward!—by the rashness of the New England group too secure in their power, another moral issue presented itself with which to rouse an indignation storm. The orators and stage managers busied themselves, enlisting on their side all the reform movements that could be gathered in. Then, adding to their program the phrase, "social justice," they broke away from the Grand Old Republican Party,—which they had found themselves unable to dominate.

This was the local strategy in Massachusetts, whatever may be said of the national situation. A scrutiny of the leaders of this alleged soul impulse toward the uplifting of humanity shows that it was controlled by the same influences that control the other parties.

"Procul Este, O Profani!"

Of the firm Gaston, Snow and Saltonstall, attorneys for the Boston Elevated Railway Company, Mr. Gaston is President of the National Shawmut Bank, one of Boston's strongest banks, controlling resources far in excess of one hundred million dollars.

Mr. Gaston exercises an influence in the Democratic party far removed from the common gaze, though he him-

self was a candidate for Governor in 1902, and is sometimes mentioned as a possible candidate for the Mayoralty.

His close Kidder-Peabody affiliations could be assumed from the connections of his law firm; or, if further indications were required, from the fact that he was formerly President of the Boston Elevated.

He is the "brains" of the local Democratic party. The practical work is attended to by politicians like John F. Fitzgerald, who are able to get results. Mr. Gaston is the sort of man who gives orders and expects confidently their fulfillment.

Above him in point of authority is only Mr. Frank E. Peabody, or, rather, the interests of the Kidder-Peabody banking house. Mr. Winsor is the official wire puller.

That Mr. Gaston has been playing the old game of "divide and conquer," is evident now to all but the unsophisticated. The net result of the Progressive agitation in Massachusetts has been to elect Democrats to important positions. From these positions they extended and strengthened the influence of their political machine.

During the five Democratic years in the State House the number of State employees recorded has increased from 13,908 to 25,065; the payroll has also increased from \$4,547,728.22 to \$7,281,339.24.

To some it seems as if Mr. Charles Sumner Bird has been hoodwinked into paying the bills for this auxiliary party. Possibly. But it would be hard for anyone who knows this astute old man to believe him suffering from paranoia reformatoria.

THE RIFT IN THE BOSTON DEMOCRACY.

Although the two political groups are fairly distinct, Republicans and Democrats, those vitally concerned would hardly be satisfied by the control of one of the parties. Each group strives to undermine the influence of the other, and ultimately, if possible, to gain control of both parties.

Among the first to join the ranks of the "Storrow Democrats" was Congressman (then) John A. Kelliher,—the South End blond boy. He is no longer a boy; he has grown old in experience. After serving several terms in Congress he led the fight on Mayor Fitzgerald in the memorable Fitzgerald-Storrow campaign of 1910.

The ability to swing a protracted periodic sentence with grandiloquent fervor, plus a knowledge of practical politics gained under the tuition of the old time ward boss, Jim Donovan—these comprise his chief qualifications for public life.

But his glory seems to have departed. In his upward climb violations of personal friendships and his disloyalty to his old political preceptor, Donovan, have turned a current of opinion against him which even the influence of powerful business interests seems unable to overcome.

He failed to receive the Democratic nomination for Congress in the 1912 and 1914 primaries.

The position of District Attorney is a useful cog in the city political machine. The innumerable petty crimes committed in the city give ward leaders a good chance to build up a dependable following, provided they have "influence." Many a boy arrested for some foolish act, done, it may be, under the influence of liquor,—drunk for the first time, perhaps,—has been returned to his home through the pleadings of his mother with "Smiling Jim" Donovan.

Caught shooting craps, or breaking into a store, or fighting in a back alley; a plea for clemency by Donovan, or any other politician in good standing, would induce the District Attorney to drop the case.

It is not impossible in cases less deserving of sympathy that similar pressure may be brought to bear.

Joseph C. Pelletier, the present incumbent, was once a potential Governor, marked for promotion by reason of his efficient work in behalf of the Storrow-Higginson-et-cetera-Democracy. It was his threat to deprive the Boston Elevated of its charter during the strike for failure to operate its required schedule, and his open espousal of the striking car men, that all but won him the Democratic nomination.

Mr. Pelletier, as far as his personal fortunes are concerned, when he allowed himself to be appointed the decisive arbitrator in the matter of the Bay State's contention with its 6,000 employees, blundered sadly by trying to serve two masters.

Unlike the Elevated, this road is in the control of the powers which centre at 44 State street.

An increase of only one dollar a week for each employee would mean to the company an increased operating expense of more than three hundred thousand dollars annually. Shortening of hours means further expenses. And the strengthening of the union means more demands later.

Mr. Pelletier lacked the nerve to go over openly into the camp of either faction and serve its interests,—on the one hand the Storrow-Kelliher-Donovan-etc. group, and on the other the Kidder-Peabody-Fitzgerald-Foss—"regular" group. He tried to please both.

He could have done one of two things; he could have been over-generous to the men,—a situation that would have been hailed by the Elevated crowd with ghoulish glee as a sweet revenge; or he could have given the union nothing,—in which case he would have been regarded by the Higginson powers as a gentleman of eminently judicious qualities of mind.

The terms of the award were not satisfactory to the union. Still, a reduction in the hours of labor for the shop men without loss of pay; the establishment of a minimum wage of \$2.25 a day for all employees in the shop and miscellaneous departments,—more than half the total number; and increases that were granted the blue uniform men, from one-half cent to one and one-half cents an hour; all mount up to a considerably increased annual expenditure.

The importance of the situation is this: the award is, in the opinion of the men, "utterly inadequate." The long arbitration proceedings, and their cost—\$43,000—for the union's share, had raised their hopes high. Now there is fomented a bitter dissatisfaction with the "cent increase," and a unanimous sentiment that there will be "no arbitration next time." And Mr. Pelletier is out of politics through his vacillation.

Mr. Pelletier, personally, lost his chance. The unions gained a position from which they will be able to hold as a threat against both lines at once a complete and general tie-up.

James H. Vahey, beaten for the Democratic governorship nomination by the Fitzgerald contingent, withdrew from the political melee, and though still a party worker, is busy building up a strong support as counsel for the street rail-

way unions,—in their arbitration proceedings, especially. He will, no doubt, figure as a "friend of labor" in a campaign not far away.

But Mr. Vahey's power to aid labor is pretty distinctly limited to his present job. Those who placed him in a position of vantage, manoeuvring their resources, restraining somewhat their customary labor-baiting editors, prompting their group of politicians,—all as a means to their own financial ends,—have no impulsive desire to improve conditions of labor.

This Boston group of capitalists, in their own industrial enterprises, have the deserved reputation of being the most ruthless labor crushers that unionism knows. The long, bitter struggle of the Michigan copper miners, which resulted in a complete defeat for labor, a stamping out of every vestige of unionism and a return to individual bargaining between employee and corporation, shows the extent to which the Higginson-Agassiz-Shaw interests will go in combating anything that threatens their profits and power.

Whatever advantage the car men's union has achieved, security rests not in leaders, but in the strength of organization, local, national and in federation with other organized workers.

The union is a strong one. Its high dues give it ample funds. The company has agreed to suspend or discharge employees refusing to pay dues to the union without written notice of desire to terminate membership. The company also agreed to reinstate employees found not guilty of sufficient cause to warrant suspension or discharge,—insuring permanency of position and preventing anti-union discrimination. Furthermore, if through any reason a reduction of the working force is necessary, the company has agreed to discharge first those who were last taken on; and when the force is increased to reinstate such discharged men before new men are engaged. The men have obtained thus, through their union, a vested interest in their jobs, virtually a property right, which the company recognizes under compulsion.

Vahey, Pelletier, Donovan, Kelliher, Kenny and the Good Government Councilmen, and their followers, form the nucleus of a strong faction in the Democratic party, owing allegiance to Mr. Storrow, and through him to the banking firm of which he is a member,—Lee, Higginson & Company.

SURROUNDED.

From without there is a relentless pressure bearing in upon the Democrats whom the good people of Boston believe to be trampling civic virtue in the mire.

Boston has a finance commission, responsible to the State government. This commission, which hampers the control of the city machine, furnishes a strong incentive for the "regular" Democratic politicians to work toward control of the entire State.

Contracts are subjected to close scrutiny, and appointments are distressingly liable to criticism and open discussion.

This commission has forced crude graft to at least assume the outward forms of legality.

But to the horde of political hangers-on that infested the administration of Fitzgerald it has brought darksome days. This down-in-the-heels crowd, who could be satisfied with a few days' work distributing poll tax bills at five dollars a day, this hungry band of patriots who filled the corridors of City Hall, have fallen upon evil times.

All this, of course, in the name of good government.

This finance commission is a novel institution, without parallel anywhere, created by a Republican Legislature to investigate the administration of a Democratic city, the stronghold of the Democratic party in the State. Its officials are appointed by the Governor and confirmed by the Governor's Council; its right to draw upon the city treasury is made mandatory by statute; it has legal authority to compel the attendance of witnesses, the giving of testimony under oath, and the production of books, papers, and documents. It is wholly independent of the Mayor and the city council.

Another point of vantage which the Democrats do not possess is the control of the police. The Police Commissioner of Boston is appointed by the Governor, for a term of five years.

Here, again, the better elements, so-called, have succeeded in hampering the activities of the Democrats. Mr. O'Meara is a Republican.

A purpose upon which the Democratic politicians have set their hearts is to secure "our own" Police Commissioner.

As a campaign issue this would not sound very inspiring. Some other matters would serve better for campaign oratory. Or, when the matter is brought forward, "Home Rule for

Cities" is a lofty abstract principle under which the change may be made.

The thoroughness with which the Elevated and allied political activities have been surrounded by the forces of "good government" and Republicanism and Higginsonism is a marvel of political manoeuvring.

To indicate the very practical levels upon which this reform movement works; it was a Republican Governor who appointed to a controlling position on the Boston License Board Mr. Fletcher Ranney, an attorney who was for a long time a partner of the chief legal adviser of the strong combination of brewing interests in Boston.

EXTRICATION.

It is not for abstract political principles that campaigns are fought. Had the Democrats sufficient power, one of the first bills to pass the Legislature would be an act amending the charter of the Boston Elevated Railway Company, giving it the right to charge a six-cent fare.

In considering the plea of the Elevated for a six-cent fare, on its alleged inability to earn a "reasonable" return on its capital, there should be considered, besides the rapidly-growing interest charges and rentals, a few other points.

It might perhaps be possible to reduce the rate of interest paid on the stock of the West End Street Railway Company. In 1887 this company was formed of an agglomeration of horse car lines; and ten years later—it had been electrified in the meantime—in 1897 it was consolidated with the Boston Elevated.

Although horse car lines are now obsolete, and modern equipment has superseded the early experiments of the old West End Company, the common stock of this company is guaranteed a return of 7 per cent., and its preferred stock 8 per cent.

Preferred stock	\$6,400,000	@8%	\$512,000
Common stock	\$12,730,000	@7%	\$891,000
Funded debt	\$18,871,000	(varies)	\$732,360

It is customary in any consolidation to offer generous inducements to the various elements in order to bring them together, a practice sometimes termed stock watering. The public endures a certain amount of this. But to continue forever contributing toward the dividends of the Somerville Horse Railway—is it not much like paying for the experimentation involved in the building of Noah's ark?

Instead of increasing fares, then, it might be possible to induce the Legislature to reduce the guaranteed dividends on the West End stock.

Perhaps!

But the chances are that the owners of this good stock would bring very strong influences to bear against any such proposal.

There are past sins to atone for in the case of the Boston Elevated. When it pleads poverty, one may grant the technical predicament in which the management finds itself,

and yet note that in the first year of its existence, before its elevated structure had even begun to be erected, it paid a dividend of \$1,193,375. Cream for insiders.

Another possible reason for present difficulties: the cost of operation is doubtless higher than it would be if any adequate system had been established to provide for depreciation. Five per cent. of the value of equipment is not too much to set aside for this purpose; but the road appears to have set aside a sum that is very inadequate.

If a piece of machinery may ordinarily be expected to last twenty years, and if five per cent. of its value is annually set aside to cover the depreciation, when new equipment must be purchased a fund is at hand for the purpose.

Having failed to take care of the diminishing value of the property, now the company is faced with heavy "operating expenses," and new equipment must be provided for by an increase of capitalization.

A fourth consideration which is not in favor of increasing the present rate of fare:

The road wasted in a prolonged strike at least a million and a half dollars, judging from the annual financial statements of 1912, '13, '14.

This loss is not due to the wage increases alone; but also to other causes. There was the loss of patronage during the protracted period of the strike. There was the importation into Boston, and maintenance, of an army of disreputable thugs and strike-breakers; and the wholesale pocketing of fares by this aggregation of toughs and gangsters.

One of these strike-breakers, a precocious youngster just out of high school, known personally to the writer, "made" during the strike no less than \$400. The following year he entered the Mass. Institute of Technology.

The mere increase in wages has not affected the road so very badly. Figures show that this increase in operating expense would have been taken care of by the natural growth of traffic. But the inefficient handling of a difficult situation made matters a good many times worse.

The mishandling of the union situation has caused losses that are hard to locate on the books. A spirit of antagonism between the men and the management results in thousands of dollars of loss. Friction is ever a retarding force, particularly in a human organization. The petty bosses ill tempered; work poorly done; a spirit of eye service; a mutual feeling of distrust and dissatisfaction; these stand as permanent results of the long-drawn-out conflict.

It is not a matter of mistaken judgment in the single case of the strike. The whole labor policy of the company is to be condemned.

General dissatisfaction throughout the rank and file, general distrust on the part of the minor officials, frequent "call downs," loafing whenever there is a chance,—such conditions are to be expected as a result of the management's antiquated theories.

The organization of the labor force is undemocratic. It is, indeed, militaristic.

A mechanic ventures to offer a suggestion to his foreman as to a better method of proceeding.

"I should think ——"

"We're paid to do the thinkin'. You just do your work!" was his encouragement.

This bureaucratic, Prussian, attitude is obsolete. It is the old-fashioned way—years behind the times. It makes the worker who has served a few years in one department feel that he is a wage-slave for life—as indeed he is.

This Prussianizing of labor, which discourages initiative, creates ill will, arouses a grudging spirit in work, robs men of strong motives for self-improvement, and destroys all satisfaction in daily efforts,—this old attitude toward the workers seems to be a direct reflex of the minds of the higher personages in the company, among whom are many Colonels and Generals and Captains, and such.

Whatever measure of praise is due to Boston's rapid transit system, the Elevated's managing of its labor problem deserves to be characterized by the term of—gross incompetence.

In the arbitration proceedings the fact was brought out that every year the company had been losing about forty per cent. of its men. This meant each year an influx of inexperienced workers.

It is worth considering in relation to this, an annual expenditure on account of accident and damage claims, not including legal expenses, of \$700,000.

This the mere money cost.

Figures from the files of the Massachusetts Public Service Commission, cited in the report of the arbitration board, show for the five-year period, 1909-1913, a ghastly total of 17,580 accidents that resulted in injuries.

And 207 deaths!

GAS.

The story of Gas has been long since told. There raged a fierce fight, years ago, but a settlement was effected, and, as usual, the public forgets.

The turmoil subsides; headlines flash forth a new murder trial or a divorce or the World's Series or other such more important matters; so the public soon forgets.

Mr. A. C. Burrage, a lawyer once upon a time by no means widely known, discovered in the charter of the Brookline Gas Light Company a provision under which that corporation was empowered to extend its service into Boston.

He called the attention of Henry H. Rogers and the Standard Oil interests to this charter and managed to negotiate a sale of the Brookline company to them. The charter was used as a lever by which these interests forced their way into the control of the gas situation in this city.

Burrage received only a fee of \$250,000 for the services he rendered; but coming into the good graces of powerful friends prepared the way for acquiring the fortune which he has gained through mining enterprises. Burrage is now known as a powerful copper magnate.

Of interest today, however, is not the story of the shameless means through which the gas interests gained their ends, but rather the relation of the gas industry to the people of Boston at the present time.

The gas companies in and around Boston are gathered into a group, a holding company,—technically a “voluntary association,”—which calls itself the Massachusetts Gas Companies.

In 1908 six companies composed the system:

- Boston Consolidated Gas Co.
- New England Gas and Coke Co.
- East Boston Gas Co.
- Chelsea Gas Light Co.
- Citizens' Gas Co. of Quincy.
- New England Coal and Coke Co.

The East Boston and Chelsea companies have since consolidated. In the year 1910 there was included:

- Newton and Watertown Gas Co.

and the next year the combine included:

- Federal Coal and Coke Co.
- Boston Towboat Co.

Now the process is going on of acquiring the stock of:

J. B. B. Coal Co.

In addition, the system comprises subsidiary manufacturing companies which utilize the valuable by-products of gas production for making such things as dyes and explosives.

In 1910 gas made up two thirds of the net earnings, and coal one third. In 1914 the coal profits had increased to 43.6 per cent. of the net earnings.

This is one of the ways in which the profits of the predominant element, the Boston Consolidated Gas Company, have been hidden through the various subtle devices of higher accounting.

The Gas Company buys coal from itself, or rather from one of its brothers. The money is all kept in the family, as it were. In this way the modest little profit fixed by the famous "sliding scale" is held at its proper level.

Only a part of the story is told by the published figures, which show that from 1908 to 1915 the profits of the Boston Consolidated have mounted from year to year until they are now higher by about \$300,000.

The electric department of its business, which averaged \$145,000 a year, was sold to the Edison Electric Illuminating Company on Sept. 1, 1909.

Surrounded by a dozen devices for disposing of its surplus profits, there is but little hope that in accordance with the "sliding scale" agreement a reduction in the price of gas will follow increased earnings.

The result of the many ingenious arrangements of these related companies may be seen in the dividend statements which appear from time to time in the financial columns of the daily newspapers:

"The Boston Consolidated Gas Company has declared a dividend of 2 1-2 per cent., making 8 1-2 per cent. for the year, as compared with 8 per cent. last year."

"The New England Coal and Coke Company has declared a dividend of 10 per cent. and an extra dividend of 10 per cent."

"The Boston Towboat Company has declared a dividend of 12 per cent., as compared with 10 per cent. last year."

"The Federal Coal and Coke Company has declared a dividend of 15 per cent. as compared with 10 per cent. last year."

"The East Boston Gas Company has declared a dividend of 2 1-2 per cent. and an extra of 1 per cent., making 11 per cent. for the year."

On page 232A of the 1913 report of the Massachusetts Gas Commissioners will be found a schedule showing how much gas the Massachusetts Gas Companies sold to each other and how much they charged each other for it.

Sold by	Sold to	No. of Ft.	Cost
N. E. Gas & Coke	Boston Con.	2,996,556,050	\$857,041.14
Boston Con.	E. Boston	183,949,000	\$83,638.20
E. Boston	Suburban	20,465,950	\$10,232.94

According to this table it appears that the New England Gas and Coke Company sold almost 3,000,000 thousand feet of gas to the Boston Consolidated at 28 cents a thousand;

That the Boston Consolidated sold 184,000 thousand feet to the East Boston Co. at 45 cents;

That the East Boston Co. sold 20,000 thousand feet to the Suburban Gas Co. of Revere at 50 cents.

The Massachusetts Gas Companies owns all the above gas companies with the exception of the Suburban Gas Company of Revere. The Massachusetts Gas Companies, therefore, sells its gas three times and makes three profits before it sells to the Revere Company. Then the Suburban sells to the people of Revere at 90 cents.

The gas which is produced at the Everett works of the New England Gas and Coke Company at a cost of about 20 cents finally does reach the consumer, but not until prosperity has been "passed around."

The timeliness of a little consideration as regards gas is emphasized by the fact that the matter of continuing and extending the "sliding scale" system of gas prices and dividends as at present applied to the Boston Consolidated Gas Company is now before the Legislature.

If this matter played a part in the last election, it was, like other matters of a similar nature, considered only by a small group in the vicinity of State Street; it was not an open campaign issue.

Our modern civilization has evolved a wondrous system whereby a business situation, a position of advantage over others, is clinched by means of words printed upon paper. The business strategist has his position given the force of law.

It is around these vantage points of protective law that political battles are waged.

With reference to the controlling elements of the political situation, we do not err greatly if we assume that important political struggles are not fought for the sake of the

pure spiritual satisfaction of overcoming the wrong and vindicating the right.

There is no important private purpose that cannot be translated into terms of public policy.

It is true, the political parties annually conduct an elaborate form of debate and bring into play all their machinery for producing stage effects of idealism. But in politics words, ideas, disinterested sentiments, have little force.

That the real governing power is the "will of the people," that government is today maintained and promoted by the general conscience and the general conviction—is a popular myth that would evoke a grin from any experienced campaign manager.

Gas and Elevated are the two strongest positions held by the interests which centre at the Kidder-Peabody house. In affairs which extend back to New York, the great financial centre, this house has the backing of the powerful Rockefeller influence; and, in return, of course, has pledged fealty and homage.

The influence of the Morgan power, on the other hand, can be wielded by the opposing Higginson group.

Seldom, if ever, do the entire resources of the opposing powers come into play. At some points there is a compromise, a balancing of forces so adjusted that aggressive action would eventuate only in mutual destruction.

REAL ESTATE.

Not in the nature of an exposé, for the facts are easily available to anyone interested, but as examples of the continuous pressure to which government is subjected by property interests, this chapter on real estate is presented for consideration.

(City Document 138, 1912.) In reference to the taking of land for the widening of Pleasant Street:

Coun. Smith: "In giving their answers as to why they increased assessments on that street they (the assessors) gave general answers that would apply to every parcel on the street, those off the line of taking as well as those on the line of taking. Yet the map, which Mr. Folsom has not brought into doubt, shows every increase to be on the line of taking."

"I would ask why he increased the assessment on fifteen properties on the line of taking, and omitted to increase the value on other properties equally benefited on the line of taking?"

* * * * *

"For instance, this property owned by Mr. Codman is equally affected with this property owned by Mr. McGahey, and yet the value of the property owned by Mr. Codman is not increased. Down here there is a property owned by a woman, the value of which is not increased, and yet Mr. Lomasney's property is increased in value, and the property of the Mayor's brother is increased."

In a statement which he had previously given out Councilman Smith said:

"Of course it is a fact that in taking land for street purposes the authorities cannot pay more than 25 per cent. in excess of the assessed valuation. Therefore in taking land there is some incentive to have the assessed valuation as high as possible."

The following figures were cited by Councilman Smith before this investigation by the Boston City Council:

144-154 Franklin St., 10,708 sq. ft. of land, sold to the First National Bank for about \$550,000. This land was underassessed by more than \$100,000 at \$428,300.

512-516 Washington St., 4,300 sq. ft. of land, sold for \$630,000. This property was found to be assessed for only \$410,000.

19 Avon St., 1522 sq. ft. of land, sold for \$125,000; assessed for \$77,500.

16-24 West St., 4,104 sq. ft. of land, sold for \$500,000 to the Boston Consolidated Gas Co.; assessed for \$341,500.

17-22 Tremont Row, had just been sold for \$567,000; assessed valuation \$477,000.

140-144 Hanover St., cor. Union, C. D. Cobb and Bros., grocers; sold for \$200,000; assessed for \$126,000.

Property cor. Prince and Perkins Sts., sold for \$50,000; assessed for \$9,000.

When the Museum of Fine Arts had moved from Copley Square to its new quarters in the Fenway a few years ago, the old building and the land was purchased by a group of real estate speculators who were more than usually gifted with the acumen that makes for worldly prosperity.

By the terms of the sale payment was to be made to the trustees in a series of instalments covering a number of years. When the City attempted to collect taxes on this considerable parcel of property, the argument was set forth that it was exempt from taxation, being still the property of an educational institution; that there was, legally, no sale until the final payment should be made, and the deed delivered.

After long court proceedings a verdict was finally rendered, against the City.

Involved in this deal were gentlemen connected with the Good Government Association. The noisy politician who brought this and other similar deals into brief headline notoriety, but who has since quieted down, was Frank A. Goodwin,—now Street Commissioner.

Another interesting transaction is that of the Commonwealth Land, in South Boston. Land was leased to tenants who erected there some of the world's greatest wool store-houses. When the City attempted to collect taxes, it was not able to do so, because the buildings could not be taxed apart from the land, according to a court decision. (City Document 138, p. 7).

The names of the parties concerned in any real estate transaction are a matter of public record in the "Banker and Tradesman" and in the Registry of Deeds.

Such schemes and tricks, however, are of minor importance compared with plans of greater magnitude which have more significance in city politics.

As a general matter, in the minutes of a city council or in the acts of a Mayor are found the settlement of issues raised by contending economic interests.

A city's government is the resultant of these opposing forces.

Apart from "pickings" by politicians who control votes; and apart from persons obviously interested in bringing pressure to bear upon the city government,—in order, for example, to confine the business section of the city to a certain limited area,—there are other forces of self-interest at work helping to direct political events, strong undercurrents not so apparent but just as real.

As for the tendency toward "good government":

No moralist would insist that virtue should be its own reward. But causes and effects often become humorously mixed—so that it is difficult to say just which is which.

A case wherein a land deal had a very evident political tinge, and politics in turn extended its influence back into the region of finance, was the arrangement made for the disposal of the Park Square land.

This big downtown tract, the site of the abandoned Providence R. R. terminal, was owned by the New Haven. It was handed over to Mr. Laurence Minot, the vital power in the Good Government Association; incidentally, also, a real estate speculator. Mr. Minot was allowed to pay for it with some paper securities, the whole transaction netting a favorable profit. The land was to be "developed" and sold. Unfortunately, however, Mr. Minot was not able to deliver a political victory for Mr. Storow (Higginson, New Haven, et al.); consequently the expected sums for street widenings and improvements were not all forthcoming.

Reduced taxation and the economic effects that follow happen to be of great importance to a special group not over-zealous for other forms of civic virtue,—as anyone familiar with the ins and outs of real estate is well aware.

The more economical administration of city affairs is indeed a high watchword, a worthy object about which every good citizen is supposed to become enthusiastic.

But in reality, if there were not a very material basis to this civic virtuousness, an interest more important than the difference in the tax bill of the average taxpayer, civic virtue would not find quite so strong an expression.

The attraction to Boston of large industries, increased population, increased building activities, increased land values, higher rents, and profits for real estate owners and speculators—such is the chain of causes and effects.

If the normal return on real estate amounts to five per cent., not considering the ventures of operators or special cases where political influence and tricks bring golden profits, there should be taken into account another increment—the steady

increase of land values, at the present rate doubling every twenty years.

This factor brings the return up to a comfortable 10 per cent.

It is these larger tendencies and purposes that come upon us in the form of "principles" and campaign "issues" at election time.

Matters of broad civic duty, and questions of high moral principle, boil down to very definite property relations.

I shall here take the liberty to recount a conversation with one of Boston's best known real estate men, Mr. John J. Martin. It was not intended, it need hardly be said, for publication. But it helps to bring out one or two points of some importance.

"Suppose these improvements are obtained," I inquired, "what will be the result for the people generally? A few thousand two-dollar-a-day jobs, and contractors' profits, and the politicians get a share"

"No, no, you look at it in a narrow way," for I hadn't finished. Mr. Martin went on:

"We want, first, to bring business to Boston. That will give opportunities to our young men. It will give employment to our working people. Don't you see it means better trade for the man who owns a store. It means prosperity all around. Don't look only at what somebody is going to get; look at the general effect."

Mr. Martin's views are those of an idealist; like a good many others, he sees keenly and enthusiastically and honestly what most favors his plans. Although the general effect will include a rise in the value of real estate, it would be unkind to assign this as the sole motive of his endeavors.

"Suppose this house is worth, say, fifty thousand dollars; and suppose in ten years its value doubles. Well, that would be a good thing for me. Now, suppose the same thing takes place all over the city—are not thousands benefited?"

Before entering into problems of economic theory, it is worth while to note that such are the outer, open, discussed principles, of a general nature, which clothe many business movements of magnitude. Whether the idealism or the real project is the more present in the mind of the man carrying out a plan, is of no great moment; most probably the two run parallel.

As to how useful all this activity is, 'tis a moot question. Opinions differ.

As a rule, the larger a city the worse its slums; unless specific remedial measures are undertaken, something Boston has failed to do.

Two per cent. of the families living in Boston are housed in one-room apartments.

It is said that North End tenement property yields a higher rate of return than any other form of real estate investment. The reason for this is that those who work for small wages must live within walking distance of the place of their employment.

The saving made by a family renting part of a tenement to lodgers is offset by the imposition of higher rents; to meet the increased rent, conditions become more crowded; and so the process continues, till slum congestion in the city of Boston is, by official figures, worse than that of New York's East Side ghetto.

Few repairs are necessary on this class of property; and a low tax assessment upon unimproved property further helps to make of these social sores a profitable investment.

Tenement dwellers in the North End actually pay a proportionally higher rental than the income yield of property in the Back Bay.

Since the conversation referred to, Boston proper in the last five years has increased 200,000 in population, and is now a city of 725,000. These figures are based on the recent census, and were cited by Mr. Charles F. Gettemy, director of the State census.

And yet, whatever benefits may have blessed real estate owners, banking interests, manufacturers, the owners of stores, and the propertied classes generally, Boston is today such a city that during the twelve months ending Nov. 12, 1915, the Associated Charities of Boston report taking care of 4,913 families.

That is, there were as many as 4,913 families in conditions so desperate that they were forced to appeal to this cold, statistical bureau of charity, whose chief aid consists of a searching inquiry into the "worthiness" of the applicant.

Real estate doubled in aggregate value during the past twenty-five years, rising from \$620,000,000 in 1890 to \$1,237,000,000 in 1915, according to figures compiled by the Old Colony Trust Company.

Yet the conditions implied by the fact that Boston has a record of about 7,000 cases of tuberculosis, more than 2,000 of them children of school age, seem to bring Mr. Martin's prosperity theory into serious doubt.

Stronger inducements than glowing words, it would seem, were necessary to secure the co-operation of influential powers in the recent efforts to raise Boston to aspiring heights.

With the \$9,000,000 voted by the Massachusetts Legisla-

ture for port development, to bring business to Boston, to help make Boston the foremost commercial city in America, a pier was built for the New York, New Haven and Hartford Railroad, another for the Boston and Maine Railroad, and one was in view for the Boston and Albany Railroad, a New Haven subsidiary. The construction of this latter pier was stopped.

In May, 1911, the East Boston Land Company acquired by purchase flats, marsh and upland, amounting to 27,460,548 square feet. This purchase, together with land already owned, gave the company an area of 46,397,129 square feet, or over 1,050 acres.

For about 100 acres of these mud flats,—the takings extend back to 1898,—an agreement has been reached to pay the sum of \$579,734.

Directors: Willard S. Martin, Geo. W. Moses, John Shepard, Joseph Weeks, Robert Burgess, Eugene N. Foss.

The "Old Boy" was Governor when the harbor development project went through.

The Commonwealth Pier, No. 5, constructed on a cost plus percentage basis, proved a ripe, juicy plum for the constructing contractors—the H. P. Converse Company.

Not only did the Port Directors fail to enforce the provisions specified in their standard form of contract, but under the "cost plus percentage" arrangement paid actually for the equipment and tools furnished by sub-contractors supposed to supply their own. No written orders or detailed employment accounts were kept by the Directors.

As showing that the chairman of the first Board of Port Directors, Hugh Bancroft,—salary \$10,000 a year,—and his colleagues, were either dummies or children; the State paid \$117 per 100 square yards for granolithic resurfacing similar to that for which the Boston Transit Commission paid \$42.

Even with the generous contracts made with the constructing company, whereby the price was set at cost plus 7½ per cent., the State was charged with a higher cost price than was actually paid by the contractor.

On one contract providing for stairways, fire-walls, etc., figures are given to show that the awarding price was upward of \$175,000 more than the estimated price submitted by another construction company.

Attorney General Henry C. Atwill stated in regard to the matter that he had held several conversations with the Governor in respect to the investigations made by Mr. Guy C. Emerson, consulting engineer of the Boston Finance Commission, and by the present Board of Port Directors, but had received no orders or directions of any sort.

If the facts appear to warrant it, he said, further action will be taken in the courts; and if not, the matter will be simply dropped.

It is in this way that the machine works. .A good deal depends on the opinion and attitude of the Attorney General.

It would not do, though, to mistake "pressure" as being the same in its nature as "graft." Government is of necessity a reflex of economic interests.

THE BLUE BLOODS.

"Here's to good old Boston!
The home of the bean and the cod;
Where the Lowells talk only with Cabots,
And the Cabots talk only with God."

It is not hard now to understand why the select Bostonian aristocracy will not deign to have social relations with outsiders.

They do not dare.

Dean Castle of Harvard once wrote a novel, "The Green Vase," a rather insipid book, in which the aversion of the aristocratic heroine for a rough, rude, barbarian of Boston politics, and her attraction toward him, brought woeful disaster.

There is indeed a reason, though it is not always understood. The "rough-necks" do of course lack some of the refinements of manner. It is true also that they are somewhat disagreeable in not choosing the means to their ends with circumspect care. Sometimes the aversion is based upon Puritan prejudices of a religious nature inherited from elder days. More often it is mere instinct and imitation.

The real barrier, however, is the unceasing warfare that goes on "down town," where every inch of ground is fought for and every vantage point is known and charted.

As in feudal times, where power is concentrated in the person, relationship counts for much. It would be treason to one's class to form connections with the enemy. Hence in "society" sweet young débutantes are closely guarded and invitation lists are carefully scanned.

Such things as marriages of state, as it were, are not unknown; but in view of the fact that they are so numerous, and that no doubt the dear children were the victims of designing mammas and papas, and all unconscious of financial intrigue, to single out special cases would be inconsiderate.

The poor rough-necks! In vain do they strive to acquire an appearance of gentility and culture. They are not accepted unless perforce of the power wielded a formal recognition is coldly granted.

Mr. Eben D. Jordan may affect an enraptured interest in art. He may patronize the New England Conservatory of Music. He may subsidize the Boston Opera Company—deservedly of world-wide fame. But while his endeavors meet with approval, Mr. Jordan, himself—well, he still remains one of the "hoi polloi."

In public munificence the "roughs" can not hope to compete. There is Major Higginson, with his Symphony Orchestra, and his Harvard College, and there are a hundred other benefactors of mankind to be ranged in an opposing phalanx.

It is barely possible that the situation is not understood. The frigidity of Boston's society they may attribute to some shortcomings of a personal nature. Their real failing is to be on the "other side."

In places of power, however,—in the offices down town, where there are minds which weigh carefully every social value, and where a mistake means an opening for the relentless pressure without,—there are no misunderstandings.

Upon what is this cold hauteur, this lofty disdain of fellow mortals, supposed to rest? Simply a superior culture.

Yet the origin, the foundations of the family fortunes of New England's aristocracy, through which their superior culture is made possible, is hardly a matter to excite pride.

A wealthy manufacturer, say of soap, or a pork packer, would in spite of his millions receive a chilling reception in the environs of the Back Bay. He may build his sumptuous mansion on Commonwealth Avenue or Beacon Street, and endeavor to establish himself among the elect, but his invitations will meet with no response, his dinner parties will want for guests, the clubs that really are exclusive will not open their doors, and when Mrs. Sow goes visiting the maid politely prevaricates, "Madame is not at home."

Not so many years ago,—long enough now, however, to be forgotten,—New England's wealth began to accumulate from the trade of the sea. There grew up one particularly profitable cycle of transactions that brought a golden flow of profits into the coffers of New England's merchants and ship-owners.

First, a cargo of dried codfish sailed for the West Indies, a poor grade for the slaves. In part payment a ship loaded with molasses would return to New England. The molasses when distilled yielded rum—for which Medford was long famous. Then a vessel of rum was sent to the coast of Africa to be bartered for a cargo of negroes. This human cargo found a ready market at Jamaica.

The "rum-slave-and-molasses" trade was an endless process, exceedingly profitable; it forms a gruesome chapter in the formation of New England capital.

And not only toward a race of a different color were the ordinary human considerations neglected, despite a piety that endeavored to cramp all human nature into the codes of Puritanism.

The old Boston and Salem families were of course scrupulous in their observance of the formalities of religion. But at sea, in their ships, the rule held:

"Six days shalt thou labor and do all that thou are able;
And on the Seventh holystone the deck an' scrub the cable."

This was considered an effective means of preserving discipline, even though the work may often have been unnecessary. With a relentlessness unequalled even by the Southern slave-owning planters, who were restrained by a property interest in their chattels, the Yankee ship-owners of a century ago made the life of the seaman an unmitigated lot of toil and brutality.

The proud clipper ships, indeed But before the mast, and down in the fo'c'sle, it was different. A seaman beaten over the head with a marlin-spike for some infraction of the tyrannous maritime code, and not daring to raise a hand in self-defense; or knocked down by a drunken mate and kicked in the face till unconscious;—these things are not glorious.

Yet, no doubt,—it is a paradox,—those responsible for the most abhorrent crimes perpetrated in the name of trade were kindly and courteous in their personal relations, unwilling to cause distress to even the least of those with whom they came in contact.

Likewise, the present-day aristocrat; even though he own securities whose values are based upon franchises obtained through a political machine which derives its power from bribery, violence and protected vice.

So far are they removed from the conditions whence their comfortable income flows, that clipping a coupon or signing a check seem matters of no social consequence.



SECTION III.

THE RAILROAD SITUATION.

A unified system of all the railroads that enter and leave Boston gives to the dominant financial group a power, first of all, to levy tribute upon a constant flow of commodities.

This is a power as great as if not greater than the power of taxation exercised at Boston's custom-house tower.

As in feudal times powerful barons seized mountain heights commanding important trade routes and exacted tribute from all passers, so today the railroad manipulators.

Boston is the second port of entry in the country. Boston's total foreign trade for the year 1914 ranks third among American ports, New York and New Orleans leading.

Value of exports.....	\$71,961,259
Value of imports.....	162,978,471
Total foreign trade.....	234,939,730

(Boston City Record, Feb. 5, 1916.)

Power over transportation is not only a power to tax, but also a power to favor, or to inflict injury upon, particular industries, and whole sections of the country, and individuals. Dominance in one vital part of the industrial process gives, thus, power in other directions.

And the rates of the New Haven when brought under the searching inquiry of the Interstate Commerce Commission were indeed found to be a mass of discriminations and favoritisms.

A manufacturer unable, somehow, to obtain prompt shipment of his goods, or hindered by regrettable delays in the transportation of his raw material, soon comes to terms.

For its manufactures New England must have coal, iron, steel, lumber, cotton, leather, wool, and merchandise of countless varieties; and the finished product must be sent away.

For this industrial activity transportation is a vital factor.

Some idea of New England's manufacturing, and the richness of the province laid under tribute by the railroad monopolists, may be had by looking over the 98 large pages of fine print—the Directory of Massachusetts Manufactures, issued by the State Bureau of Statistics.

The number of concerns listed—this is for Massachusetts alone—is approximately 8,300.

Leaving out of the account the value of stock and mate-

rials, upwards of \$667,000,000 of new wealth was created by the manufacturing establishments of Massachusetts in 1912.

The total amount of wages paid in these manufacturing establishments to about 600,000 wage earners was \$335,553,-704.

The total amount of capital invested was \$1,308,013,171.

The value of all New England's manufactures for 1912, a year chosen because it preceded the industrial depression of 1914-1915, and also the impetus given to N. E. manufactures by the war, amounted to \$2,670,065,000.

Here is a source of tribute which inevitably must yield a golden revenue to the men in places of power who control the transportation for all this manufacturing activity.

To say nothing of the transportation of food supplies for 6,000,000 people, a mere incidental in the monopolist's scheme of things.

BOSTON & MAINE.

It is not an easy matter, on account of private reasons of one kind or another, to find anyone in Boston able to discuss frankly B. & M. affairs.

The situation is as simple and as complex as truth and dissimulation.

There is much said about the difficulties of the B. & M. being due to a number of burdensome leases, and here the inquiry stops—or is stopped, in an endeavor to disentangle a mass of involved arrangements which the B. & M. has entered into with its subsidiaries.

It is true; the leases are many and burdensome. But there are other matters of more importance. The efforts of the remonstrants seem focused upon scaling down these 7 and 8 per cent. leases.

The capital stock of the B. & M. amounts to \$43,000,000. Upon this there have been placed obligations as follows:

B. & M. bonds	\$43,000,000
B. & M. floating debt	13,500,000
Bonds of leased lines	44,000,000
Floating debt of leased lines	5,500,000
Capital stock of leased lines, for which the dividends are a fixed charge on the B. & M.....	52,500,000
	<hr/>
	\$158,500,000

The proportion of capital stock to fixed obligations at par is in the ratio of 100-368.

For every \$100 of capital stock issued the company must pay interest and dividends for the use of \$368.

There are unusually heavy fixed charges.

But the simple fact is, that before the controlling interest became vested in the New Haven group of financiers the Boston & Maine carried 2,000,000 tons of freight a year more than the New Haven. Upon change of control, the Boston & Maine declined from the position of being considered a safe, conservative investment at 190 to that of a dangerous speculation at 26.

The legality of this consolidation time after time has been defended on the ground that these two railroad systems were not competing.

It is patiently pointed out that the B. & M., embracing all the railroad systems of northern New England, served an entirely different territory from that of the New Haven.

A fact of especial importance is never pointed out, that the B. & M., having entrance into Boston, could, by reaching out an arm to the southward, enter into competition with the New Haven and divert a good amount of its traffic.

It was at least a potential competitor; very much so.

Such arrangements between the B. & M. and other railroads have been proposed, but it is safe to venture that under the present control nothing of this nature will be allowed. For example, a proposal was made to build a short stretch of track connecting the B. & M. with the coal fields of Pennsylvania, whereby the freight rates on coal to Boston and New England would be considerably lessened. Nothing will ever come of it.

Facts like the foregoing would indicate that the New Haven, loaded down with a huge accumulation of watered stock, took over the B. & M. to recoup its losses.

Shipping charges and freight arrangements are not matters which come within the ken of political quacks.

It was in diverting freight and in using the B. & M. at all times to the advantage of the New Haven system that Boston's financiers warded off the total demolition of their railroad plans.

In bringing together the many component elements of the New Haven transportation system, concessions were made on every hand to parties who were able to obstruct or aid the general movement. It was necessary to water securities out of all proportion to their earning power. And then, as the huge burden of paper values demanded ever-increasing dividend payments, and as it was necessary at all events to keep the New Haven solvent, a means was provided.

In their inception savings banks were primarily benevolent institutions for the industrious and thrifty whose small savings, or whose ignorance of business, prevented a suitable use of their capital.

The services of the trustees are gratuitous. But it is not quite certain that the purpose is wholly philanthropic.

Savings banks are used, much as any other concentrated power is used. Methods vary—the possibilities are many, from the small builder who is enabled to mortgage his ventures at 100 per cent. of their cost, to the financier who gets a bill passed making such-and-such securities (?) legal investments for savings institutions.

The Bay State Street Railway has suffered in exactly the same manner as the B. & M.

Why should the value of Massachusetts Electric,—Bay State Street Railway's holding company,—decline from the position of a trust fund and savings bank investment to the status of a stock having a speculative value only, selling at around \$37 a share?

It is quite simple.

The Bay State was stifled in order to afford an artificial protection to the New Haven system.

The Bay State is a consolidation, made in 1911, of the Boston and Northern and the Old Colony Street Ry. companies, which had previously been formed through the consolidation of a large number of smaller railways. Seventy-two street railways are included, and embrace most of the street railway facilities of eastern Massachusetts.

The Bay State operates the largest mileage of any street railway in the world,—nearly one thousand miles. Its lines extend from Nashua, N. H., through Massachusetts to Providence and Newport, R. I.

New England is densely populated. Thickly dotted with large cities and towns, passenger business is of equal importance to the railroads with the carrying of freight.

The rapid growth of interurban trolley lines seriously threatened to deprive the railroads of the cream of their freight and express business. Not the bulk freight, but much of the profitable express business and light freight.

Track connections were extended to the back doors of factories.

The transportation of workmen to and from these factories then naturally fell into the hands of the trolleys.

Much of the highly-specialized manufacturing going out in small package shipments, railroads like the New Haven were left the burden of supplying coal and other heavy freight.

The electric railways were intrinsically more efficient than the railroads and ordinarily would have outstripped them, costing less to build and less to operate and not being loaded down so heavily with fixed charges.

These electric lines were all gathered together into a unified control; and, to use words of all due restraint, their interests were made subordinate to the tottering railway situation.

Looking over the list of Massachusetts Electric directors, one may note many lights of eminent respectability.

Such are the gentlemen by whom on many occasions the sad plight of the widows and orphans has been pathetically told. Such members of New England's aristocracy as, for example:

	Chas. Francis Adams, 2nd.,
Treasurer	Corpn. Harvard College,
Trustee	Boston Ground Rent Trust Co.,
	Boston Real Estate Trust,
	Mass. Gas Cos.,
	Mass. Electric Cos.,
	Provident Institution for Savings,
Director	American Trust Co.,
	Boston Consolidated Gas Co.,
	Fifty Associates,
	Boston Safe Deposit Co.,

and others of this type—"all, honorable men."

Massachusetts Electric may not have been entirely sacrificed. Those who retained their stock will perhaps see the value of their holdings restored to a fairly comfortable condition if political matters are auspiciously adjusted.

With the Republican party restored to control of the State Legislature and the Governorship, a six-cent fare will easily be allowed. The Democratic party, however, would allow this only upon condition that a similar increase be granted to the Boston Elevated.

NEW HAVEN.

No Boston newspaper dared to touch the story. It was the New York World that brought matters to light, beginning January 18, 1914, a sensational series of articles that led to the Norris investigation resolution passing the Senate on February 7, without a dissenting vote.

It was not alone that in violation of law the New Haven acquired a monopoly of New England's transportation, but in the process the road was robbed by its own directors.

Whether the loot was the cause, the real motive, or only an occasion of the merging now matters little.

The 336 corporations which were owned directly, leased, operated under contract, or controlled by the New Haven, and in which \$204,000,000 of the resources of the road were "invested," exhibit a long record of criminality, reflected in cold figures by the decline of the N. Y., N. H. & H. stock from a high record of 225 1-4 in 1903 to its low point in 1913 of 65 5-8.

This decline in the price of stock took place during the presidency of Mr. Mellen, 1903-1913. Consequently, it was upon him that generally blame was attached.

When Mellen knew that the inside history of the deals had been spread abroad, and that he was about to be made the scapegoat, with his usual keenness he immediately told enough of the true details of the affair to make the responsible parties in places of power fear further revelations.

While many of his statements made on the witness stand conform to the facts and represent his true opinions, as a whole his testimony should be considered with strict regard for the effect of such testimony upon Mr. Mellen's personal welfare.

Another underling was Mr. E. D. Robbins, the New Haven's general counsel. A man to whom duplicity seems a second nature; a mind of the type that, doubtless of necessity, did nothing openly and frankly, but concealed whatever was done in multitudinous complexities,—weaving in and out and around his object a labyrinth of legal, and illegal, arrangements.

The politician whose dominance in city affairs enabled the Kidder-Peabody banking house to claim—among other things—a place in the N. E. railroad situation, was John F. Fitzgerald.

Fitzgerald is a wily politician, worth a book all to himself. He pushed through some deep plans under the burst of glory that accompanied a great public celebration, "Old Home Week." Bunting and parades and bands and fireworks distracted the gaze of all from the Professor while he arranged some necessary matters.

His running of a small weekly paper, "The Republic," as a side line, has been a great help in keeping him, technically, honest. Of slight circulation, and mediocre in contents, it was understood to be virtually a political blackmail sheet, a method to be recommended as safe to other politicians who may have scruples about keeping within the letter of the law. An examination of the files will show, by the advertisements, how he exacted tribute from his enemies and received favors from his friends.

To the disinterested spectator, with his money safely deposited in an old teapot somewhere, this politico-financial play furnishes a huge entertainment, including legerdemain, impersonations, and other vaudeville.

RESPONSIBILITY.

As once all roads led to Rome, so today, in Boston and New England countless threads of influence and power draw together at an unpretentious, old-fashioned building on State Street,—the offices of Lee, Higginson and Company.

Where there is power we may assume it to be used.

That law was violated is apparent from the fact that a monopoly of transportation exists.

That it was achieved by methods only to be described as conscienceless is a matter of open record.

As for personal blame:

From authorized public statements (Mch. 9, 1914) it is known that during the last twenty years the Morgan banking house participated in the handling of \$333,082,803 in securities of the New York, New Haven & Hartford Railroad and its subsidiaries.

It is known, too, that in all the more important financial undertakings the representative of J. P. Morgan & Company in Boston is Lee, Higginson and Company.

Is it likely that the head of this firm, Major Higginson,—this great banking house, the dominating financial power in one of the world's wealthiest cities, and a vital centre of political control,—would be left in ignorance of the stupendous New Haven steals?

The political organization, of which Higginson is a leading spirit, if not **the** leading spirit, was in full control on Beacon Hill throughout the period of unlawful combinations. And at Washington under Taft and Roosevelt New England Republicans were safe.

Under the spurious plea that the Boston & Maine and the New Haven were not competing lines, the State not only permitted but actually aided, through the Boston Holding Co., the consolidation of these two systems.

If this was a fraud and a crime, the responsibility rests upon those in control of the political situation.

But there is a more direct and damning proof of the part taken by Higginson and his bank in bringing about the railroad monopoly.

It was Gardiner Lane, of the banking house of Lee, Higginson and Company, who approached Lewis Cass Ledyard,

the man representing in the directorate of the Boston & Maine 55,000 shares of stock held and owned by the American Express Company.

Mr. Lane made application to Mr. Ledyard that the express company should exchange its Boston & Maine shares for New Haven shares.

An inducement had to be offered, of course. An onerous contract then existing between the Boston & Maine and the American Express Company with six years to run, was extended for a period of 20 years.

A transaction of this nature could not have been consummated without a strong hold upon important social agencies. Such influences the venerable Major did possess.

His attorneys professors in the foremost law school of the country; or, conversely, Harvard Law School dignitaries his special attorneys;

And with a strong ascendancy, through similar means, in the Supreme Court of Massachusetts;

His group dominant in the affairs of the Republican Party;

With newspapers subject to his control, and hired editors, willing and capable, to further his interests;

With a social prestige built up through many "benefactions";

With a tremendous industrial power with which it is not impossible to crush individuals who prove too troublesome;

Yet wearing, withal, a Machiavellian aspect of kindliness and philosophy;

This human octopus keeps spreading his countless tentacles over all New England, and through the nation.

Nothing happens to the New Haven looters and monopolists.

Mellen immune.

Billard granted immunity.

Suits against directors dismissed.

Next—securities validated.

A suit brought by stockholders against the New Haven Railroad and its directors who served between 1904 and 1909, for the recovery of about \$102,000,000, wrongfully expended for street railway and steamship lines, was dismissed by a decision of the Massachusetts Supreme Court.

The opinion of the Court, written by Chief Justice Rugg, contains the following passage:

"A stockholder of a corporation has no personal right of action against directors who have defrauded it and thus affected the value of his stock. Such wrongs are against the corporation itself and, except through that, have no relation to the stockholder."

And such are the legal subtleties of a Supreme Court—upon urgent occasion—that in answer to the plaintiff's bill, which protested that:

"Ten individual defendants are still directors of said corporation and influential in its councils; and said defendants and other directors closely associated and affiliated in financial matters constitute a majority of the board of directors controlling the action and policy of the corporation"—

this consideration was dismissed with some distinctions as to just exactly what constitutes a "corrupt confederation."

The fact is, the New Haven financiers have no intention, despite an agreement with the Government, of giving up their all but consummated control of New England's transportation. Their agreement with the United States Attorney General to dispose of their holdings allows them at least until 1917 to do so; by which time, they devoutly hope, a new administration with more convenient economic views will be in power.

MOULDING PUBLIC OPINION.

Major Higginson, with an aspect of benevolence, holds Harvard under his wing,—or hoof. It was at a word from him that *his* overlord, Morgan, made possible Harvard's monumental group of Medical School buildings. Whereupon Morgan received an LL.D.

Much as the Church in the middle ages crowned successful plunderers and bestowed on them its blessing, so today universities honor our modern robber kings.

A social institution of tremendous influence then, the Church lent its sanction to power, even though acquired by blood and devastation; and in return received the protection of the State and the patronage of the ruling class.

It is somewhat similar with an LL.D. It blesses him that gives and him that takes.

He who would ordinarily be a coarse, raw-handed commercial pirate becomes a merchant prince, a patron of the arts and sciences, a benefactor of mankind.

Such traffic strikes democracy in a vital place,—almost, indeed, nullifying political democracy, and controlling it for special purposes.

Higginson has given Harvard many gifts,—the athletic field, for example, upon which the Stadium is built—Soldiers' field. He also gave, out of the goodness of his heart, no doubt, the Harvard Union, where he occupies a place of prominence at every gathering, the guest of honor.

He keeps a watchful eye over Harvard's vast endowments. His influence is gravely deferred to on the Board of Overseers. A national organization of Harvard alumni is the latest activity which has engaged his attention.

This latter, alumni organization, is characteristic of the tactics of those who control social forces. The strengthening of Harvard's influence throughout the nation means, incidentally, the strengthening of those individuals who are at its head.

Thus a respectful hearing, a presumption in his favor, is accorded to President Lowell appearing before the Legislature to argue against the initiative and referendum; or when he makes an address on "preparedness"; or when he earnestly states his position upon the tenure of judges—that the judiciary should, in their consideration of public questions, be independent of "popular clamor."

That this political use of social position is deliberate and well planned admits of little doubt.

A comparison of the list of trustees of the Massachusetts Institute of Technology with a list of the important New England directorates shows the sort of intimacy existing between big business interests and education.

Dartmouth has as a leading spirit old Benjamin A. Kimball, President of the Concord and Montreal Railroad and boss of New Hampshire politics.

Kimball is the man who, it was brought out in an investigation, paid a legislator \$2,650—or, rather, retained a certain Concord lawyer to protect the interests of the Concord and Montreal in New Hampshire, at the time when this said lawyer was chairman of the judiciary committee of the House of Representatives. The judiciary committee handles all railroad matters in this legislature. That was but a small portion of a fund of about \$40,000 spent by this road for attorneys' fees and advertising with the purpose in view of keeping out of this territory the Grand Trunk railroad. Later the Concord and Montreal was reimbursed by the Boston & Maine, whose expenditures all over the B. & M. system were given as \$841,267.12.

The vacancy caused by the resignation of Dartmouth's president brought to the forefront as a man suited to the needs of the times Mr. E. K. Hall, an able, clear-minded lawyer, the vice-president of the New England Telephone & Telegraph Company, a man directly responsible to the powers that have advanced him rapidly in the business world. Mr. Hall has recently conducted for the American Telephone & Telegraph Company a nation-wide attack upon the idea of government ownership of telephone and telegraph lines, which seemed to be making strong headway a few years ago. This campaign included a veritable flood of pamphlets and the subsidizing through advertisements of nearly every magazine and newspaper published.

Attention has been previously called to the interest which the Telephone company holds in one Boston newspaper, the Herald. We accordingly expect to find editorials in this paper in accordance with the business policies of its owners. The Telephone company, though, is only one of the companies thus served. The same directors, or their representatives and associates, are to be found upon many other important boards—the United Shoe Machinery Co., the General Electric Co., the American Woolen Co., the New York, New Haven & Hartford R. R., the Edison Electric Illuminating Co., the Bay State Street Ry. Co.,—and others too numerous to mention.

The process of "moulding public opinion" seems to be as well organized as any of the industries in which capital is frankly invested for private profit.

Even extending influences among professional associations of many kinds, the purpose grows clearer—that a few men of power have woven a system of influences that constitutes a formidable factor in public life.

The American Historical Association has been gathering into its membership during the last twenty years practically all the college teachers of history, the historical writers, and the antiquarians of the United States, until its rolls now include about three thousand names. A pamphlet issued by a small group of self-constituted reformers has just startled the rank and file with a revelation of the intrigue, manipulation of offices, and ring politics with which the “invisible government” of this society maintains its power.

Considering the social importance of the teaching of history, it is not surprising to find at the head and in control of this organization—our old friend Higginson, and his coterie.

The schools of the city of Boston for the last ten years have been in control of the Public School Association, a political machine backed by the same interests which control the so-called Good Government Association. A list of the contributors to these political associations, published according to law, shows that here, too, the Higginson group is active. Among the members of the School Committee elected by the Public School Association were Messrs. Storow, Ellis and Kenny. Mr. Storow's first achievement in school affairs was to reduce the size of the committee, making it more manageable. As for Mr. Kenny, who has served also as a mayoralty candidate, he is valued because in spite of his racial, political and religious affiliations he allows himself to be used by the other group.

It is not strange that Boston's schools should be individualistic in sentiment, utterly lacking the social spirit. Ideals of individual success, an admiration for Boston's respectability, a jingoist nationalism, and an idealistic interpretation of history which is far from the reality,—such are some of the fruits of a controlled educational system.

Precisely the same influences are at work throughout the State by various agencies, among them the State Board of Education. This Harvard-controlled affair exercises a general supervision over educational methods in Massachusetts, and has direct charge of the State Normal schools.

There has been evolved—the brutal fact may as well be faced—a system of control over public opinion as autocratic as the corresponding absolutism that obtains in industry.

In such case political democracy is a myth.

Austere respectability, of course, accompanies this de-

bauchery. The form may be called a Foundation for the Advancement of Teaching, or what not; and have an ostensible purpose that quite conceals its real character.

This particular agency of social control is quite interesting. It has a total fund of \$14,250,000. Its annual income is \$746,000. It has "pensioners" to the number of 332. In nine years the sum of \$3,551,000 has been dispensed by this bribe-agency.

Carnegie, at a hearing of the Industrial Relations Commission, grinning with a self-satisfied smirk, referred to President Emeritus Charles W. Eliot of Harvard with an outspoken—"He's my pensioner."

Of course he agreed with the ironmaster concerning the present old age provisions for college professors. "He ought to, he's my pensioner."

Can it be that Dr. Eliot's anti-union bias conforms with the ideas of Carnegie for the same reason?

This shameless frankness went unreprieved by the "pensioner," strangely enough. But perhaps the feeling of shame has by now been lost to Harvard, accepting gifts as promiscuously as . . . shall the thing be said?

Where the money comes from seems to matter little. Indulgences are sold. The Widener Library from the beneficiaries of Philadelphia's traction corruption; a sop from a brewer's millions; largess from the New Haven and B. & M. looters;—anything, it seems.

The strengthening of social position by benefactions of one kind or another is a thoroughly good investment. The more extended the foundations of power, the surer and more permanent the general good will, though indirectly gained, by so much is the unsightly source of mastery kept from the foreground.

In every direction this influence extends, until all the agencies of free public opinion seem clogged with beneficence.

Large advertisements of the American Telephone and Telegraph Company in the magazine called the "Survey" offer sufficient cause for doubting the independence of this social-service journal. Not that it refrains from attacking evils; wide allowance must be granted a magazine of this kind that it may have some degree of influence. But when the fact is considered that in its earlier days its patron and treasurer was Mr. J. P. Morgan, it is safe to say that its activities are definitely limited. Its recent attempt to discredit the work of the United States Commission on Industrial Relations places it in a position far from enviable morally.

As touched on in another chapter, in the heat of a recent

Massachusetts primary one candidate took pains to explain how a certain few men—their names may easily be guessed—for years had kept the Republican State Committee under control through some old notes.

The control of a good many other social forces, though not necessarily so obvious, is pretty well established through analagous methods.

Upon powerful committees, or as respected benefactors, the various religious denominations are blessed with men whose names are not synonyms for piety.

The influence of these men inhibits anything of radical tendency in the church organizations which they dominate,—or diverts it into forms of charity and social service.

In short, as in the case of the Massachusetts Republican State Committee, so with most religious organizations; those who control the purse strings exert an overpowering influence toward "conservatism," a term that covers up much of rottenness.

Nothing could be of more importance than that social privilege and power be looked upon with respect, thus giving Things As They Are a firm basis. That in the final test social rights depend upon general consent, is an axiom of political economy.

A POWERFUL, RAPACIOUS GENTILITY.

There is no mystery about the method by which wealth brings more wealth, and power increases power. The matter may be reduced to a formula: control of social necessities.

It is well to strip the discussion of prevalent notions as to the "greatness" of the minds which control the industrial situation.

Some basic social necessity is placed under definite control, and a tribute is exacted by virtue of the general right of private property.

Some social need,—like sunlight, or coal.

The "business enterprise" of Boston's capitalists consists in having a command over capital, and in the ability to select and place in positions of authority technical experts, lawyers, accountants, and professional aid of other kinds, and, in addition, efficient labor-drivers.

The organization of a sales force, the perfecting of the manufacturing process, the acquirement of legal privileges through political activities, are all matters delegated to men deemed competent to secure the desired results.

The function of the so-called captain of industry is to hold his higher officials to accountability. Even this task, the co-ordinating of the half dozen elements, is not infrequently assigned to a high-salaried official whose essential work consists in cracking a whip over the heads of his immediate subordinates.

The "great" activities are outside of industry proper. What constructive results have followed from the consolidations they have effected have been incidental, and largely robbed of social benefit, by stock inflations—as in the case of the United States Steel Corporation, or by a serious check upon business and inventive initiative—as in the case of the United Shoe Machinery Company.

It may be true that out of the steel corporation's large earnings additions have been made to the company's property, so that much of the water has been squeezed out. But that the world should be laid under tribute to pay dividends forever upon the \$500,000,000 of U. S. Steel common which when issued represented no assets—is an evident legal monstrosity.

The Shoe Machinery Company has in its files, it is said, hundreds of inventions which it would not pay the company

to substitute for its present inferior machines. This concern has, it admits, a monopoly of machines for making shoes. It does not sell its machines; it rents them at a definite royalty per pair of shoes manufactured. It is not to its interest so much to improve machines and methods as to collect its monopoly tax.

It has upon its payroll an imposing list of inventors, upon which fact it piques itself on public occasions; but the situation takes on a peculiar light when some of these men themselves declare that they are paid for **not inventing**.

Far above the actual, useful work of the world, in that region where an industry is but a balance sheet, are New England's aristocrats, a hereditary group in many respects similar to that which the world rid itself of in the French Revolution.

Their investment power which enables them in greater and still greater measure to extend an artificial dominance over the lives of, as it were, a subject class derives an ever-increased force in its growth and development. But the source, whatever are their dividend returns from mining and railroads and, especially, the development of the great Southwest, is to be found right at home in New England's smoking mills and factories.

Throughout Massachusetts and New England are their industrial enterprises which yield, not the ordinary returns of "safe, conservative investments," but somewhat better.

Such companies as, for example, the following:

		Bid	Asked
Naumkeag Steam Cotton	10%	205	212
Plymouth Cordage	12%	200	210
Walter Baker Co., Ltd.	16%	400	410

(Reported by L. Sherman Adams, 50 Congress St., Boston.)

Or let us look at another company, The Draper Company: the following dividends have been paid on common stock:

1902, 15 per cent., and also 50 per cent. stock dividend; 1903, 12 per cent.; 1904, 12 per cent.; 1905, 12 per cent.; 1906, 17 per cent.; 1907, 12 per cent.; 1908, 8 per cent.; 1909, 11 per cent.; 1910, 18 per cent.; 1911, 30 per cent.; 1912, 20 per cent.; 1913, 16 per cent.; 1914, 37 per cent. (Poor's Manual of Industries.)

Or let the value of the gas and electric light stocks of Massachusetts towns be taken into consideration. To quote a few:

	Par	Bid	Asked
Lowell Gas Light Co.	100	250	260
Lynn Gas and Electric Co.	100	380	400
New Bedford Gas and El. Light Co.	100	250	255
Springfield Gas Light Co.	100	260	265
United El. Light Co., Springfield...	100	265	270
Worcester Elect. Light Co.	100	290	300
Worcester Gas Light Co.	100	250	260

(Banker and Tradesman, July 3, 1915.)

A price of 200 indicates a dividend of 10 to 12 per cent.; a price of 400 means annual dividends of around 20 or 25 per cent.

We may take as an instance by no means extraordinary the case of the Grinnell Manufacturing Corporation of New Bedford. Capitalized at \$1,000,000, it paid 8 per cent. dividends regularly for a long period, returns which might be considered fairly prosperous.

But, over and above this eight per cent., a surplus had been accumulating steadily until it reached such proportions that after increasing equipment—the looms and spindles alone are conservatively valued at \$2,000,000,—the management still had on hand a quick surplus of something over \$800,000.

At a loss what to do with this money, it was finally decided to give it to the stockholders.

The directors declared an extra dividend of \$50 a share; and, in addition, have increased the capitalization by a stock dividend of 50 per cent., presenting each stockholder with a share of stock gratis for every two shares that he or she owns.

The gross amount of surplus, plus the extra dividends just declared, if extended over a period of ten years, would have represented annual payments of 18 per cent.

Hereafter on account of the increase of capitalization these profits will not be so apparent. Says an organ of the manufacturing interests, naively confessing the extent of the exploitation of labor by New England mills:

"If the corporation had been more adequately capitalized upon a \$2,000,000 basis, the average annual dividends would have been only 9 per cent. Compared with the returns netted by successful concerns in other industries or with those of successful retail firms, they are extremely modest."

Furthermore, it is pointed out, dividend payments of corporations "properly" capitalized are less likely to provide ammunition for demagogues, who stir up the public mind—etc., etc.

Six other prominent New England textile corporations within the last two or three years have recapitalized upon a basis more proportionate to their dividends. Upon the basis of their new capitalization these mills are now paying from 6 to 8 per cent. annually as compared with a previous annual 12 to 24 per cent.

Another concern located in the same city, New Bedford, is the Acushnet Mill Corporation. Dividends have been paid in recent years as follows: 1905 and 1906, 16 p.c.; 1907, 66 p.c.; 1908, 16 p.c.; 1909, not reported; 1910, 116 p.c. (including a stock dividend of 100 p.c. paid November 17, 1910); 1911, 1912, 1913, 8 p.c. each.

And yet—New Bedford's slums! The glittering aristocracy of Beacon Street and Commonwealth Avenue rests upon a grim foundation of broken, wasted lives!

Some New England mills produce profits which send the prices of their stocks from one hundred dollars par up to over a thousand dollars a share.

Midway between Attleboro, Mass., and Pawtucket, R. I., lies a little town that exemplifies the modern industrial feudalism of New England carried to its full perfection. A large knitting mill is the centre of the town's existence. There is a long street of dingy tenements owned by the company and let to the operatives at high rentals. Thus a substantial part of the weekly pay roll flows back into the corporation's treasury. The stores of the town are company-owned. The company owns also a great farm from which food stuffs are supplied.

This little town of Hebronville maintains churches to the number of seven. These also are company-owned. Or, virtually so; for in all of them is taught the blessedness of poverty, and the consoling principle that in contentment lies the true secret of happiness.

The operatives are largely French Canadians, and families are large. Large families are preferred,—“family help”; for under these conditions competition for a livelihood brings down wages to a family level, the earnings of the whole family amounting to what under normal conditions would be earned by the working head of the family alone.

Of this industrial system the political expression finds its ablest representative in the person of Senator Henry Cabot Lodge.

The best that may be said of Senator Lodge is that he represents the interests of New England's business men and manufacturers, believing that prosperity for them in time diffuses itself gradually down to the lower planes of life.

The most that the Republican Party offers to the working class as a result of its machinations is "a full dinner pail." To those who are considered of more importance in the world's affairs Republican success means busy factories, larger dividends, and all the benefits that flow from wealth and power.

And this, if need be, at the expense of other sections of the country. Loyalty to one's own is a quality hard to deny to even the most able maintainer of special privileges.

Just as of old one Pericles looked toward the welfare, not of all Greece, but of Athens, so the classic Senator from Massachusetts guards first of all New England's dividends. About this business is thrown a glamor of disinterested "statesmanship." In such an attitude of mind is to be found the inward justification for legislation of the character of "Schedule K."

It is well enough on the Fourth of July to entertain such phrases as "Our Common Country"—"No North, No South, No East, No West"—with perorations eloquently touching upon the "blue canopy of heaven" and the "golden sunset"; but not in committee rooms.

It is a fair query, whether if need be the welfare of the "farmers and wage earners," so dear to the heart of Republican statesmanship, would not be sacrificed, just as the welfare of the entire country is made subordinate to New England,—to Massachusetts especially, and a very special group of Massachusetts citizens in particular.

Responsibility for the evils which the present society produces—an indication is afforded by the contrasting infant mortality rates of Fall River and the Town of Brookline—is not to be attributed to subordinates in small positions of authority.

The superintendent of a mill cannot be particularly concerned about human welfare. His mind is busied with other affairs. The operation of the machines costs money. The cost of operation depends—apart from the wage paid to the operator, and in certain cases of far more importance—on the first cost of the machine, or interest on the investment, the cost of power to run it, the cost of repairs, the value of the floor space it occupies, arrangements for supplying it eco-

nomically, and so on. If some of these items extend back to previous labor costs, they are matters beyond his immediate control.

Responsibility must be placed directly upon the beneficiaries of the existing social order.

Exploitation of labor is a fact so taken for granted in the mind of the average man that its justice is not questioned, or considered. It is simply one of the conditions of industry.

An executive official, more introspective than is usually the case, said to the writer:

"Am I responsible for the social conditions I find? I must purchase my labor just as I purchase my iron and steel,—at the lowest market. I buy labor power just the same as I buy electric power, or coal."

In the higher circles of aristocracy, especially, exploitation of labor is a matter simply taken for granted. Wage workers are considered a group apart, classed nearly with horses and other work animals. They live in the other part of the city. They are a class one never meets. They have different standards of life. The great masses occupy a very definite place in an aristocrat's scheme of values.

That is, when the matter is at all considered. Mr. and Mrs. Augustus P. Gardner, in their summer home at Sagamore Farm, Hamilton, concern their thoughts but little with their mill-slaves in Lowell, unless there occurs some event like the threatening strike at Lawrence.

At Mr. and Mrs. Quincy A. Shaw's summer estate is a wonderful garden, concealed in a natural environment of rocks and trees, and surrounded by a stone wall covered with ivy and roses. At one side of the wall stands an ornamental stone fountain. There is a little stone tea-house at another end of the garden—a nook for informal entertaining when a few friends call. This is one of the loveliest spots on the North Shore. Here obtrude no unpleasant suggestions of the Michigan copper miners' bitter struggle.

The mills of New England have brought forth a steady flow of dividends, and these dividends again invested have brought added power over the nation's means of life,—basic social needs.

Calumet and Hecla has paid dividends in calendar years since 1898 as follows:

1898, \$50, 200 per cent.; 1899, \$100, 400 per cent.; 1900, \$70, 280 per cent.; 1901, \$45, 180 per cent.; 1902, \$25, 100 per cent.; 1903, \$35, 140 per cent.; 1904, \$40, 160 per cent.; 1905, \$50, 200 per cent.; 1906, \$70, 280 per cent.; 1907, \$65, 260 per cent.; 1908, \$20, 80 per cent.; 1909, \$27, 108 per cent.; 1910,

\$29, 116 per cent.; 1911, \$24, 96 per cent.; 1912, \$42, 168 per cent.; 1913, \$32, 128 per cent.; 1914, \$10, 40 per cent.; 1915, \$20, 80 per cent.

The total dividends paid from organization in 1871 to Dec. 31, 1914, amounted to \$124,250,000. The directors are: F. L. Higginson, Quincy A. Shaw, Walter Hunnewell, Jas. McNaughton, R. L. Agassiz.

Another of the stable industrial enterprises in which New England capital is largely interested, the General Electric Company,—together with the Western Electric Company and Westinghouse controlling practically the entire electric equipment business of the United States,—offers an interesting example of industrial absolutism combined with a degree of benevolence. Athletic teams, free medical service, lectures, a co-operative restaurant, a mutual aid society, and other "welfare" features, however, do not suffice to distract attention from low wages and long hours.

The freedom and equality referred to in a certain old document have but little present force; the industrial situation develops more and more upon lines of class. Indeed, the idea of social equality is so contrary to the reality of things as to seem ridiculous.

At Lynn, when the whistle blows at night, the accommodations available for washing consists of long troughs of water into which a dozen little streams trickle from a pipe—room for a score of men on each side. The crowd that gathers around each trough soon cause the water to assume a character that would shock the sanitary conscience of a Dr. Rosenau. A degree of consideration is evidenced by the fact that there are any washing facilities at all. But for social protection this "consideration" is hardly adequate.

The benevolent attitude of mind—assuming it to be sincere—that establishes a co-operative restaurant where employees may buy food at low prices, and of good quality, to be sure, but served on tin plates, is about on a par with the attitude of a State Commission that issues a decision, as if they, too, belonged to a different order of nature, announcing that in all justice women working in laundries should be paid a living wage,—\$6 a week for beginners and \$8 for those with experience of a year or more. The press had warm praise for the establishment of "decent" living needs by this commission. "Decent" for them?

Men looking for work at the Lynn General Electric plant must fill out long application blanks giving all their life history, and even information concerning their ancestors, before their employment is at all considered.

Matters of a personal nature are thoroughly gone into—

number of dependents, the applicant's character and morals, and other items.

Then comes a physical examination, in which the workman opens his mouth for the inspection of his teeth, much as in the case of a horse. Then he is required to uncover his private parts for examination.

Would it be too much to suggest that boards of directors and stockholders submit to a similar examination.

It would not be of great importance in their case if a finger or toe were found missing; but it is today well recognized what deleterious effects are brought upon a person's disposition and morals by, say, dyspepsia, or gout, or many an other affliction.

It would seem that the character of an employing corporation and its officers should be quite as much subject to inquiry as that of the workers who are hired. Surely the bargain which the employee makes with the corporation is as important to him as his employment is to the corporation.

Especially in an industrial system which vests social power in the person. In industry today—recognized by law and general consent—the stockholder representing control may say in regard to some of the most vitally important matters: "*L'état c'est moi.*"

From a secure position of economic mastery New England's aristocracy are able to render futile attempts made to redress the evils of their industrial system.

Attempts at reform are followed by a disastrous reaction that is very effective as a political argument. And the more closely industry is co-ordinated and social power concentrates the more effective becomes the protest of capital against the "disturbance of business."

The General Electric Company employs in its various plants 60,000 men and women. The New Haven system of railroads employs approximately 36,000 persons, and pays in wages annually \$30,540,217. The Bell telephone system's employees number 200,000. Curtailment by a dozen such concerns sends through all industry a retarding influence of such a nature as to cause widespread want and suffering. The control by a few of the means of livelihood confers a power that by far overshadows the political power of the State.

With respect to the textile industry there is more power at an informal meeting of the Arkwright Club to affect working conditions and the lives of thousands of people than in the halls of any Legislature.

The economic convictions of the Home Market Club

afford a surer indication of the aims of the Republican Party than political platforms and election oratory.

A meeting on a financier's yacht is able to settle a railroad situation with which legislative committees might struggle for years.

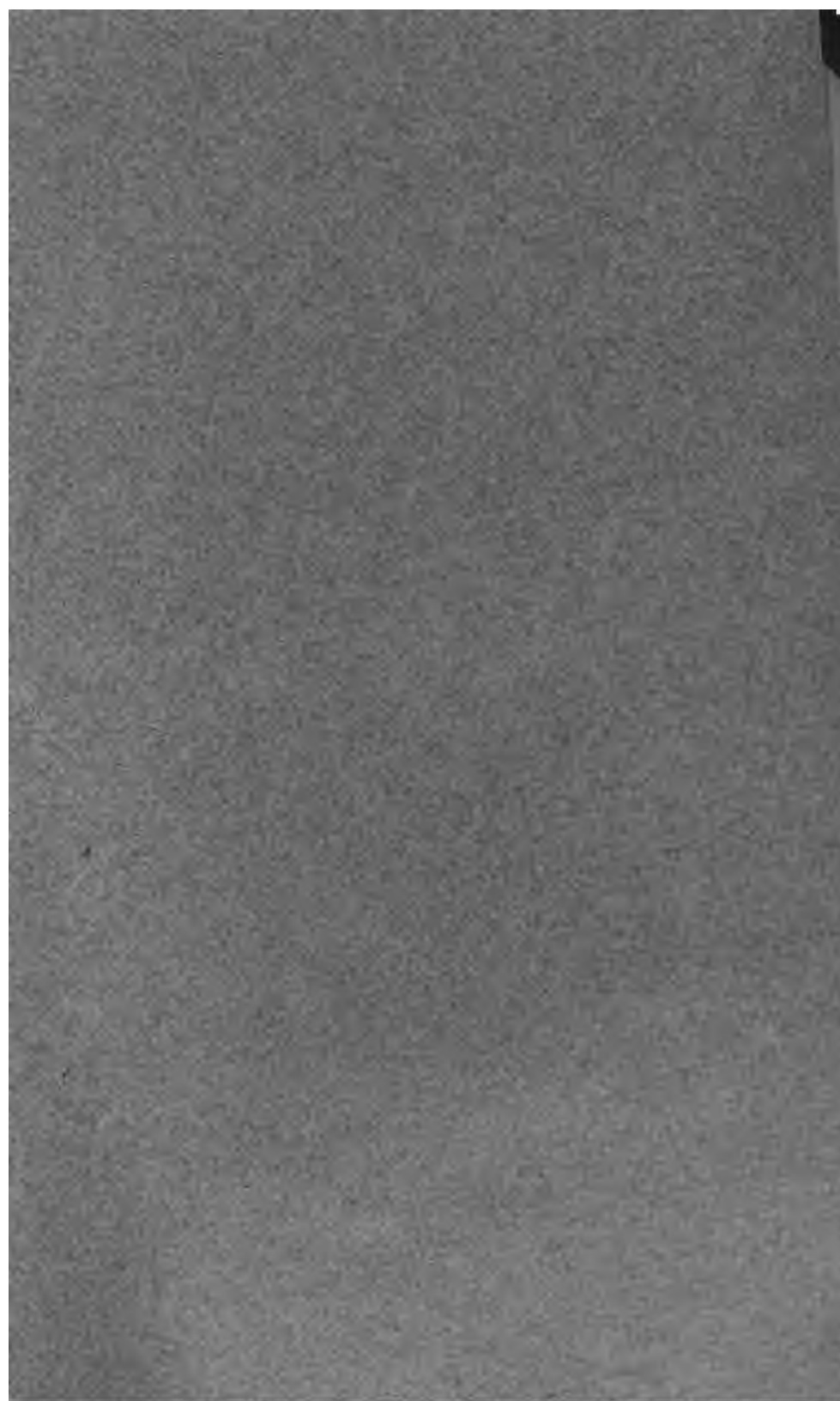
This economic power, greater than that of the State, brings into vivid contrast an actual industrial absolutism and professions of free political institutions.

The means of social authority is—control of social necessities.

The only recourse against the malign influence of the New England group would seem to be nothing short of that final test in which the right of private property itself is called into question.

In whatever way this is brought about, a decision must doubtless be made, whether property which is not personal in its nature may be permitted to rest in private hands and be used for the purposes of private gain.

Here, and not in movements of reform, it seems the issue will be fought and decided.



V. L. UTACK COMPANY, PRINTERS, 122 FEARL STREET, BOSTON.

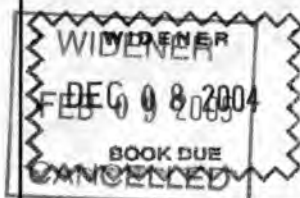


3 2044 018 166 595

The borrower must return this item on or before the last date stamped below. If another user places a recall for this item, the borrower will be notified of the need for an earlier return.

*Non-receipt of overdue notices does **not** exempt the borrower from overdue fines.*

Harvard College Widener Library
Cambridge, MA 02138 617-495-2413



Please handle with care.
Thank you for helping to preserve
library collections at Harvard.

